

Integrated Equality and Fairer Scotland Duty Impact Assessment

1. Details of the proposal

Title of proposal/policy/project/plan to be assessed	SOSE £2m Business Loan Fund 2023/24
Is this a new or revised proposal/policy/project/plan?	Promotional activity for loan fund that has existed since April 2020.
Service area: Department:	Place and Enterprise Enterprise and Business Team
Lead officer: <i>(Name and job title)</i>	Ros McArthur, Business Development Specialist, Business Resilience Team
Other officers/partners involved: <i>(List names, job titles and organisations)</i>	Chris Hammell, Business Development Specialist, Business Resilience Team
Date(s) Equality Impact Assessment completed:	16 th August 2023

2. Cumulative Impact

Will there be any cumulative impacts as a result of the relationship between this proposal and other proposals/policies/projects/plans?
<p>If yes, please state here:</p> <p>Not aware of any other proposals/policies/projects/plans that will be adversely impacted.</p> <p>This increased promotional activity may positively impact on the number of enquiries into SOSE.</p>

3. Scoping, data and evidence gathering

Why are you introducing a new proposal/policy/project/plan, or why are you revising an existing one?	<p>This focused approach is to promote the loan fund and to address a tightening of the commercial loan market to SMEs because of rising interest rates and market uncertainty.</p> <p>This activity enables us to identify potential issues in providing this kind of funding investment within a financial year so that we can refine our approaches in the future.</p>
What is the purpose of the proposal/policy/project/plan?	<p>Promote a loan fund that will outline criteria and typical loan terms to provide a frame of reference for businesses that may wish to consider loan investment from SOSE.</p> <p>An easy to access fund to help unlock potential in ambitious businesses delivering projects that:</p> <ul style="list-style-type: none"> • Commercialise new ideas and/or lead to long term sustainability and inclusive growth ambitions.

	<ul style="list-style-type: none"> • Deliver SOSE's aims and align with National Strategy for Economic Transformation and the Regional Economic Strategy. • Have Net Zero, Fair Work and Community Wealth Building principles clearly demonstrated within project. • Are already identified and ready for delivery in 23/24.
<p>Who will the proposal/policy/project/plan effect? <i>Is it location specific & if so, is it located in an area of socio-economic disadvantage?</i></p>	<p>Available to all SME's located in the South of Scotland, including areas of socio-economic disadvantage, with a company registration number. Organisations must be able to demonstrate sustainability and the ability to service loan repayments.</p>
<p>Who will benefit from the proposal/policy/project/plan? <i>(eg employees, service users, equality groups, other stakeholders)</i></p>	<p>The loans will be used for projects that will provide clear economic and social impact e.g. increased turnover, increased profits, job creation paying RLW, reductions in emissions.</p> <p>We anticipate that the main beneficiaries will be businesses based in the South of Scotland. Projects will not be specific to any of the protected characteristics. Approval of proposed client projects will be determined using the existing appraisal process including analysis of financial needs and serviceability.</p> <p>The appraisal process currently includes a number of considerations including those related to the equality act, fair working practices and the Just Transition to Net Zero</p>
<p>What is the intended outcome(s) and impact of the proposal/policy/project/plan? <i>(Set out a clear understanding of the purpose of the proposal being developed or reviewed including the aims, objectives, intended outcomes and the context within which it will operate)</i></p>	<ul style="list-style-type: none"> • Deliver one or more of SOSE's aims and align with National Strategy for Economic Transformation and the Regional Economic Strategy. • Furthering the Just Transition by ensuring that Net Zero, Fair Work and Community Wealth Building principles are clearly demonstrated within project.

	<ul style="list-style-type: none"> • The delivery of projects in 2023/24 financial year. • Providing support for sustainable businesses. • Creating skilled jobs paying at least RLW and demonstrating effective voice. • Positive impact on place, by supporting local enterprises and communities to implement/develop projects that benefit their local area (e.g. creating local services, jobs, facilities, infrastructure). • Supporting inclusive growth, innovation, and enterprise.
<p>What quantitative and/or qualitative evidence have you considered when deciding to develop a new proposal/policy/project/plan or revise a current one?</p> <p><i>Information can include, for example, surveys, focus groups, databases, interviews, pilot projects, reviews of complaints made, user feedback, academic publications, and so on.</i></p>	<p>Qualitative feedback has been provided to staff at SOSE roadshows, client meetings, business surveys, as well as through our client facing staff.</p> <p>This programme seeks to raise awareness of the existing SOSE loan investment support, while addressing current economic challenges. An evaluation will be completed to ensure key learnings can be adopted if the fund is re-launched next year.</p> <p>Internal data tells us that take up rates of our loan fund is low and that we need to conduct more promotion to publicise the availability of funds.</p>
<p>Who did you consult with?</p> <p><i>Examples include equality groups, civil servants, service users, and so on</i></p>	<ul style="list-style-type: none"> • SOSE Board • SOSE Senior Leadership Team • Finance and P&E Directorates (client facing teams) • External commercial banks • Existing client base • Potential clients via engagement events, roadshows, business surveys

<p>What did you learn?</p>	<p>There is a gap in commercial lending due to current economic uncertainties. In addition, SOSE has not used its full loan budget allocation in previous financial years.</p>
<p>How did the consultation shape the proposal/policy/project/plan?</p>	<p>Banks are contracting lending and limiting funding to certain sectors. We do not intend to specifically target any of the affected sectors but will be able to meet that gap if appropriate.</p> <p>We currently do not charge any fees and following consultation with the above we will continue to follow this process to assist in these economic uncertain times.</p> <p>February/March 2023 SOSE Business Panel Survey highlighted:</p> <ul style="list-style-type: none"> • 53% of businesses were “not very” or “not at all” confident in the economic outlook for Scotland over the next 12 months. • 45% of businesses needed to invest in changes and improvements to remain viable. • 17% of businesses reported depleted cash reserves. • Profits have decreased at a faster rate than revenue over the previous 6 months highlighting the cost pressures faced by business and limited funds available to invest in growth and innovation. <p>An expression of interest form has been introduced to ensure that organisations receive timely feedback to minimise due diligence requirements. If this form is a challenge for anyone to complete, they can contact client hub and the existing process to get additional support can be followed.</p>

<p>Describe any gaps in the available evidence</p> <p><i>Does the activity exclude certain groups? Are there conditions applied to the activity which may indirectly lead to certain groups being excluded? It is not always possible to get information about all protected groups – lack of information does not mean that there will be no impact, however</i></p>	<p>No gaps envisaged but once the expressions of interest are received the Business Resilience Team will evaluate on an ongoing basis should any group become dominant or notably under-represented.</p>
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4. Legislative requirements

<p>4.1 Relevance to the Public Sector Equality Duty</p>	
<p>Do you believe your proposal has any relevance under the Equality Act 2010?</p> <p><i>(If you believe that your proposal may have some relevance, however small, please indicate 'yes'. If there is no effect, please enter 'no' and go to section 4.2)</i></p>	<p style="text-align: right;">Yes</p>
<p>Equality Duty</p>	<p>Reasoning: Because it will potentially impact people organisations and communities across the region.</p>
<p>Elimination of discrimination (both direct and indirect), victimisation and harassment</p> <p><i>Will the proposal discriminate? Or help eliminate discrimination?</i></p>	<p>This is an open application process. All marketing and promotion will be done in a variety of methods to make it accessible to all.</p> <p>All staff are trained in E, D & I, we engage inclusively with underrepresented communities, all our appraisals include considerations around the equality act and fair working practices.</p>

	Monitoring & evaluation will be conducted on applicants to capture equality data.
<p>Promotion of equality of opportunity between those who share a protected characteristic and those who do not</p> <p><i>Will your proposal help or hinder SOSE with this?</i></p>	This programme will be open to applications from all those sharing a protected characteristic and those that don't.
<p>Foster good relations between those who share a protected characteristic and those who do not</p> <p><i>Will your proposal help or hinder SOSE's relationships with those have equality characteristics?</i></p>	The process will be transparent to ensure it reduces potential discrimination. Help and support will be tailored to the individual needs of each organisation/project.
Does your proposal/policy/project/plan ensure Human Rights articles compliance?	Compliant <input checked="" type="checkbox"/> Breach <input type="checkbox"/>
<p>Please indicate which articles your proposal/policy/project/plan relates to:</p> <p>Article 1 – Free and equal <input checked="" type="checkbox"/></p> <p>Article 2 – Right to life <input type="checkbox"/></p> <p>Article 3 – Prohibition of torture <input checked="" type="checkbox"/></p> <p>Article 4 – Prohibition of slavery and forced labour <input checked="" type="checkbox"/></p> <p>Article 5 – Right to liberty and security <input type="checkbox"/></p> <p>Article 6 – Right to a fair trial (e.g., disciplinary procedures) <input type="checkbox"/></p> <p>Article 7 – No punishment without the law (e.g., disciplinary procedures) <input checked="" type="checkbox"/></p> <p>Article 8 – Right to respect for private and family life <input type="checkbox"/></p> <p>Article 9 – Freedom of thought, conscience and religion <input type="checkbox"/></p> <p>Article 10 – Freedom of expression <input type="checkbox"/></p> <p>Article 11 – Freedom of assembly & association (e.g., trade union recognition) <input type="checkbox"/></p> <p>Article 12 – Right to marry <input type="checkbox"/></p>	

<p>(N.B.) Article 13 has been removed</p> <p>Article 14 – Prohibition of discrimination (e.g., protected characteristic groups) <input type="checkbox"/></p> <p>Protocol 1 Article 1 – Protection of property <input type="checkbox"/></p> <p>Protocol 1 Article 2 – Right to education <input type="checkbox"/></p>	
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4.2 Which groups of people do you think will be or potentially could be impacted by the implementation of this proposal?				
<i>Consider employees, clients, service users, and any other relevant groups</i>				
Please tick below as appropriate, outlining any potential impacts on the equality groups this proposal may have				
	Impact			Please explain the potential impacts
	No impact	Positive impact	Negative impact	
<p>AGE</p> <p><i>A person belonging to a particular age or a specific age group (children, young people, elderly)</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>

<p>DISABILITY <i>A person has a disability if they have a physical or mental impairment which has a substantial adverse effect on their ability to carry out normal day-to-day activities. This can include visible and non-visible disabilities</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>
<p>GENDER REASSIGNMENT / TRANS/TRANSGENDER IDENTITY <i>This includes anyone who has proposed, started or completed a process to change their gender from the one assigned to them at birth</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>

<p>MARRIAGE OR CIVIL PARTNERSHIP <i>Marriage is a union between two people, while civil partnership is a form of legal recognition for a relationship</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p>
<p>PREGNANCY AND MATERNITY <i>This refers to the period during and after the birth and is linked to maternity leave in the employment context or protection against maternity discrimination for 26 weeks after giving birth</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>
<p>RACE <i>Including ethnic origins, nationality, colour, and minorities such as gypsy/travellers, refugees, migrants and asylum seekers</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p>

				<p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>
<p>RELIGION OR BELIEF <i>Refers to any religion, belief, or philosophical belief, including a lack of religion or belief</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>
<p>SEX – GENDER IDENTITY <i>Men and women, boys and girls, and those who self-identify their gender, including non-binary people</i></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p>

				Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.
SEXUAL ORIENTATION <i>A person's identity in relation to the gender or genders to which they are, or are not, sexually attracted to</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Because this is an open fund, the process will be transparent. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.</p> <p>Eligibility criteria are communicated in a clear transparent fashion.</p> <p>Decisions will be made on overall business sustainability.</p> <p>A range of application processes will be available to allow all applicants to apply in a manner that suits them and their individual needs.</p> <p>Our marketing will encourage applicants from across the region including from the full range of those with protected characteristics.</p>

4.3 Fairer Scotland Duty <i>This duty places a legal responsibility on organisations to actively consider how we can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions</i>	
Is the proposal strategic?	Yes
<i>If not, go to section 4.4</i>	
If yes, please indicate any potential impact on the undernoted groups this proposal may have	

	Impact			Please explain the potential impacts
	No impact	Positive impact	Negative impact	
LOW AND/OR NO WEALTH <i>This includes having enough money to meet basic living costs and pay bills, but not having any savings to deal with any unexpected outgoings and little to no provision for the future</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.
MATERIAL DEPRIVATION <i>This includes being unable to access basic goods and services such as financial products like life insurance, electrical goods, leisure and hobby activities, heating, and so on</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.
AREA DEPRIVATION <i>Where someone lives (e.g., rural areas), and where someone works (e.g., accessibility of transport)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored. Loans will be open to applications from all businesses that meet the eligibility criteria, irrespective of their location. However, SOSEs support is designed to have a positive impact upon place.
SOCIO-ECONOMIC BACKGROUND <i>Social class, including parents' education, employment and income</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.

LOOKED AFTER and CARE EXPERIENCED PEOPLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.
CARERS <i>Paid and unpaid, including family members</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.
HOMELESSNESS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.
ADDICTIONS and SUBSTANCE ABUSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.
THOSE INVOLVED WITHIN THE CRIMINAL JUSTICE SYSTEM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SOSEs relationship is with the business rather than an individual, and as such impacts on individuals cannot be monitored.

4.4 Environmental sustainability, climate change and energy management				
<i>How will the proposal/policy/project/plan affect the environment and carbon usage?</i>				
	Impact			Please explain the potential impacts
	No impact	Positive impact	Negative impact	
THE ENVIRONMENT <i>e.g., carbon usage, pollution etc.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All SOSEs funding is assessed against its ability to have a positive impact on the Just Transition to Net Zero.

5. Mitigating actions and recommendations

Consider:

- Could you modify the proposal to eliminate discrimination or reduce any identified negative impacts? If necessary, consider other ways in which you could meet the aims and objectives of the proposal.
- Could you modify the proposal to increase equality and, if relevant, reduce poverty and socio-economic disadvantage?
- Describe any modifications which you can make without further delay (e.g., easy, few resource implications such as information in different formats and languages etc.).

Considering alternatives and mitigation			
<i>Are you able to reduce any potential negative impacts identified above?</i>			
EQUALITY CHARACTERISTIC / SOCIO-ECONOMIC FACTOR	MITIGATION	RESOURCE IMPLICATIONS <i>Financial, people, health, property, etc.</i>	APPROVED? Yes / No
All	All SOSE staff are trained on all elements of Equality, Diversity and Inclusion, as well as unconscious bias.	None - BAU	

6. Conclusions and planned action

Is further work required?	Yes
What action is to be taken?	<p>We see the EqIA process as one of continual learning and development and seek to adapt it as the fund is rolled out and trialled.</p> <p>At year end, work will be undertaken to ensure the promotion, application and selection processes and criteria are fair and inclusive, taking account of those with individual protected characteristics.</p>

Who will undertake it?	Project Lead
When will it be done?	At year end
How will it be monitored, by whom and when/how often? <i>(e.g., through service plans)</i>	Project Lead, Annually

7. Recommendations and reasoning

Select which applies:

- Implement proposal with no amendments (as a positive impact is explicitly intended and very likely)
- Implement proposal taking account of mitigating actions (as outlined above)
- A negative impact is probable or certain for some groups, but the policy can nevertheless be justified as a proportionate means of achieving a legitimate aim
- Reject proposal due to disproportionate impact on equality, poverty, health and/or socio-economic disadvantage

Reason for recommendation:

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8. Ongoing Monitoring

How often will this proposal/policy/project/plan be monitored and reviewed, with Equality in mind?	Annually
What stages of monitoring will be implemented? <i>Eg: collecting and analysing information, identifying inequalities, investigating the causes of these and removing any discrimination or barriers to economic progression.</i>	The data collected on fund recipients will be reviewed, analysed and evaluated.
How will you monitor?	Via survey and discussion
How and how often will you analyse the results?	Annually

9. Approval and Publishing

Signed by Project/Policy Lead:	
Role:	Business Development Specialist
Date:	11 th September 2023
Signed by Fair Work and Equalities Lead:	

Date:	11/09/23
Publishing Date:	