

**WORKFORCE PLUS
AN EMPLOYABILITY FRAMEWORK FOR SCOTLAND**

RACE EQUALITY IMPACT ASSESSMENT

**WELFARE TO WORK & EMPLOYABILITY BRANCH
TRANSITIONS TO WORK DIVISION
ENTERPRISE & LIFELONG LEARNING DEPARTMENT**

June 2006

CONTENT

- **Introduction**
- **Context & Purpose**
- **Initial Screening**
- **Full Assessment**
- **Assessing the impact**
- **Preliminary Findings**
- **Monitoring and Review**
- **Summary of Action**
- **Publishing**

Introduction

This is a Race Equality Impact Assessment (REIA) for Workforce Plus, which is due for launch in June 2006. Since April 2001, all public authorities have had a statutory general duty to promote race equality under the Race Relations Act as amended. This means that listed public authorities must have due regard for the need to:

- Eliminate unlawful racial discrimination
- Promote equality of opportunity
- Promote good relations between people of different racial groups

In addition to the general duty, Scottish Ministers have used their powers to make a statutory order placing more specific duties on the Scottish Executive and other public authorities. The specific duties require these bodies to publish a Race Equality Scheme describing their public functions that are relevant to the duty. Bodies must also set out their arrangements for:

- Assessing and consulting on the likely impact of the policies they are proposing to adopt
- Monitoring any adverse impact of their policies on the promotion of race equality
- Publishing the results of their assessments, consultations and monitoring
- Ensuring public access to the information and to services
- Training staff in the duties under the Act

In recognising our duty, we need to ensure that the implications for race equality have been thoroughly assessed as part of the process of developing Workforce Plus. This REIA has been undertaken using the guidance available from the Commission for Racial Equality (CRE).

Context & Purpose

The Scottish Executive shares a common agenda with the UK Government to promote economic growth and sustainable development, reduce disadvantage and inequality and to end child poverty. The Scottish Executive can help achieve these goals, particularly in health, education, skills and community regeneration. These policies will work together with the UK Government's plans to help everyone who wants to return to the workforce.

There have been real achievements since 1999 in helping people move from welfare dependency into work – with a major impact on related problems like child poverty. But there are still too many obstacles for the people of Scotland who want to return to work. We know that people from minority ethnic backgrounds can experience difficulty in accessing employment, and that this has an adverse effect, not just on the individuals concerned, but also on the Scottish economy which is not reaping the benefits of a fully diverse workforce.

The purpose of Workforce Plus is to help more disadvantaged people, including people from minority ethnic communities, into sustained employment, based on the belief – espoused in *Closing the Opportunity Gap* – that for most people, work is the best way of them raising and sustaining themselves out of poverty. Workforce Plus has a headline target of helping a further 66,000 people into work in 7 priority local areas. Success will depend on leadership and partnership working at national and local level so that agencies co-operate in supporting

individuals tackle a range of obstacles to employment. *Workforce Plus* establishes the drivers and processes to achieve this. It is also recognised that people who have experienced disadvantage and discrimination may have specific needs which must be taken into account in the delivery of services. Although Workforce Plus does not seek to impose a hierarchy of need on the disadvantaged groups it targets, clearly treating everyone the same would not result in equality of opportunities. One of the 6 key themes identified for Workforce Plus is client focused interventions: services that can respond to the specific obstacles to employment faced by each individual.

As this impact assessment focuses on race equality, issues for people from minority ethnic communities have been examined.

Initial screening

What is the purpose of the proposed policy?

- To reduce the levels of worklessness.
- To reduce the number of people dependent on Welfare Benefits in 7 Local Authority areas agreed by the Cabinet Delivery Group on Closing the Opportunity Gap.
- To achieve this through effective partnership working at all levels, especially in funding and procurement of employability services; and thus the development of high performing employability programmes in the public, private and voluntary sectors.

Who is affected by it?

- The policy will affect delivery agencies at national level and in local partnerships; and ultimately a large number of organisations which deliver employability support to clients and employers.

Who is intended to benefit from the proposed policy, and how?

- People on Welfare Benefits will receive better assistance to move into and stay in work.
- Families of those successful in making the move into work should also benefit.
- One strand will aim to assist those people on low Pay/low skilled jobs to make progress in the labour market.
- It aims to create a larger, more diverse workforce pool that should benefit employers as well as individuals.

How have they been involved in the development of the policy?

A number of workstreams were established to inform the development of Workforce Plus. The remit of the Workless Client Group workstream was to develop a clear picture of these groups, the opportunities available to enable them to enter the labour market, and the barriers facing them. The membership of this workstream included representatives from 8 Scottish Executive, and other Government Departments and agencies involved in the delivery of employment and training services to jobless people. Other members were also drawn from a range of external organisations representing groups of people who experience severe

disadvantage in the labour market. The organisations included Scottish Refugee Council, Minority Integrated Business Support Programme Glasgow and Ethnic Minority Enterprise Centre Edinburgh. The Commission for Racial Equality was also invited to participate but felt it was not their role.

Representatives from disadvantaged groups have been involved in the development of the policy. They have been included in the evaluations of service users, service providers and what works well. The publication of Workforce Plus is not the end of the process of improving opportunities for disadvantaged groups. We will continue to develop further support for those furthest from the labour market to move into work. This will include addressing specific issues for minority ethnic communities through the Ethnic Minorities & the Labour Market Strategic Group and engagement with local Workforce Plus partnerships.

How does it fit into the wider corporate aims?

Workforce Plus will support the Closing the Opportunity Gap Objectives:

Increasing the chances of sustained employment for vulnerable and disadvantaged groups – in order to lift them permanently out of poverty.

Improving the confidence and skills of the most disadvantaged children and young people – in order to provide them with the greatest chance of avoiding poverty when they leave school.

Regenerating the most disadvantaged neighbourhoods – in order that people living there can take advantage of job opportunities and improve their quality of life.

It also supports the following indicators in our Lifelong Learning Strategy: Life Through Learning Through Life

Indicator 4: Reduce the proportion of working age adults whose highest qualification is below SCQF level 5.

Indicator 5: Reduce the proportion of 18-29 year olds whose highest qualification is below SCQF level 6.

Indicator 6: Increase the proportion of people in employment undertaking training.

It aims to support the refresh of “A Smart Successful Scotland”

- Growing Scotland’s Economy
- Improve the operation of the labour market
- The best start for all our young people
- Narrowing the gap in unemployment
- Improved demand for high quality in work training

It is consistent with the Executive’s Equality Strategy

- making better policy and providing better services
- promoting equal opportunities and tackling discrimination
- being a good employer

What outcomes are intended from this policy?

- An increase in the numbers of people in sustained employment, reducing the numbers dependent on Department for Work & Pensions benefits in 7 priority areas by 31,000 by 2007, and 66,000 by 2010. Workforce Plus will support all disadvantaged groups to make progress in the labour market.
- To achieve this, action to raise the performance of employability programmes through joint action at national and local levels, and the sharing and development of knowledge about employability across Scotland.
- More specific action for ethnic minorities is being considered by the Ethnic Minorities & the Labour Market Strategic Group and will be taken forward in the delivery of Workforce Plus.

What research or consultation has been done?

- The five workstream groups included over 150 individuals from within the Scottish Executive and from a wide range of key external stakeholder groups who represented the interests of various disadvantaged groups including: The Scottish Refugee Council, Minority Integrated Business Support Programme Glasgow and Edinburgh Ethnic Minority Enterprise Centre. The workstreams undertook reviews of the existing evidence base and 2 workstreams (workless client groups and interventions) undertook surveys of agencies and front line workers involved in employability programmes. The feedback collected has helped shape the content of the Framework.

How will we put policy into practice, and who will be responsible for it?

- Through action at both national and local levels. The National Workforce Plus Partnership (involving the key agencies whose services help people to be employable) will take forward action on health, training and education, and public sector employment/procurement, as well as engaging with employers. Local partnerships will be required to draw up action plans to reduce levels of worklessness in their areas including establishing effective monitoring systems. A Workforce Plus Team based in the Executive will provide the link between, and support for, national and local action and will be monitoring the impact of Workforce Plus on a range of disadvantaged groups including ethnic minorities.
- The Executive will be responsible for Workforce Plus as a whole, working closely with Jobcentre Plus. Within the Executive, the Cabinet Delivery Group on Closing the Opportunity Gap will have overall responsibility for Workforce Plus, with ELLD Ministers in the lead. The Executive's role will be to lead and co-ordinate the work of a number of key agencies, all of whom have important roles to play. The lead in each local area will be decided locally, but within the Community Planning framework. For people from minority ethnic communities, there is a range of factors which impact on their ability to access employment. They are not a homogenous group, and distinct differences exist in terms of their experiences in education, training and the workforce.

- Structural inequalities and institutional racism account for a proportion of the employment rate gap for people from minority ethnic communities so, in addition to support for the individual, these factors will also need to be addressed. We have therefore established an Ethnic Minorities and the Labour Market strategic group.
- It will develop an action plan to feed into a national strategy on race equality for Scotland in Autumn 2006 and will also work with DWP's Ethnic Minority Taskforce. We will make explicit links between the action plan and Workforce Plus in order to ensure compatibility and maximise benefits for people from minority ethnic communities.

Based on the information gathered in the initial screening a full assessment was recommended to ensure Workforce Plus promotes equality of opportunity and good relations between people from different racial and social groups

Full Assessment

Examining the data and research available

Our primary source of data on the workless group is the Labour Force Survey (LFS).

It has been established that in Scotland there is a high concentration of the minority ethnic population living in both Glasgow (31%) and Edinburgh (18%). However, only a limited analysis of the LFS by ethnicity is possible, because only 1.9% of the Scottish LFS sample is from a minority ethnic background. Analysis is only possible for 3 groups; a) White people, b) Asian/Asian British, and c) All Other Minority Ethnic Groups. Figures show that a higher proportion of the Asian/Asian British group (around 35%) are workless compared to white people (23%). Minority ethnic groups represent 2.9% (10,000) of the workless want to work group.

Expressed willingness to work, is also lower among the Asian/Asian British group with around 18% classed as inactive and not willing to work (compared to 12% of white people).

This limited analysis has recently been supplemented by an analysis of the 2001 census¹.

This shows that the employment rates of Asians compare unfavourably to those of white people (around 70%). The rate for Bangladeshi's is 49%, for Pakistanis 47% and for Other South Asian/Other Ethnic Group 46%. As a consequence rates of unemployment are also worse than those for white people (around 7%). Those for Africans and Black Scottish are 15% and that for Other South Asian Groups is 14%. When comparing like for like the risk of unemployment among ethnic minority males is therefore considerably higher for Indians (1.5), for African/Caribbean people (2.6) and for Bangladeshis/Pakistanis (2.7) than for white people (1.0)².

There are also differences in employment patterns when one considers ethnicity and gender. For example, less than 10% of white people had never worked and there was little difference

¹ Ethnicity classifications used in the Census have been reviewed and new questions and categories on ethnic identity are being tested by GRO-S for the next Census. Figures used here are based on the 2001 census classification.

² Cabinet Office Strategy Unit (2001). *Ethnic Minorities and the Labour Market – Interim Analytical Report*.

between sexes. There was also little difference between men and women of Caribbean, Black Scottish people, Other Black and Mixed Ethnic Groups. However, a much higher percentage of Pakistani (46%) and Bangladeshi (40%) women had never worked, which could reflect religious and cultural factors as well as factors such as discrimination which are external to the groups themselves.

These findings are reinforced by other research such as the Executive's 'Scottish Repercussions of the Ethnic Minorities and the Labour Market Report (2004)' and 'Refugees and Asylum Seekers in Scotland: a Skills and Aspirations Audit' (2004).

In addition, patterns of occupation also vary considerably by ethnicity, with high rates of self-employment among Asian and Chinese groups and very high proportions of Pakistanis and Indians working in managerial or senior office roles. This lends weight to the Cabinet Office (2003)³ conclusions that it is no longer relevant to say that all minority ethnic groups have a distinct disadvantage in comparison to all white groups in every area of the labour market. It is a much more complex picture. Nevertheless, many still do suffer an 'ethnic penalty'⁴ in the UK/Scottish labour market and much more needs to be done to help eliminate this by understanding the differences and encouraging access to, and support in, the labour market for minority ethnic groups.

Assessing the Impact of the Policy

Are there relevant groups we have approached /should approach to get their views on this policy?

Please see page 4 for the groups already approached.

The Executive has recently set up an Ethnic Minorities and the Labour Market Strategic Group. This is a short life project group. The group is considering a number of issues that will assist in the development of Workforce Plus.

The overarching objective for this work is to increase the number of people from ethnic minorities in the labour market and to address barriers to participation. This links to the following three specific objectives;

- Elimination of the ethnic penalty
- Reduction of the employment gap
- Reduction in occupational segregation

We acknowledge the Prime Minister's goal that by 2013 ethnic minority groups should no longer face disproportionate barriers to accessing and realising opportunities for achievement in the labour market. Through the Strategic Group we will consider the nature of our contribution to this goal.

³ Cabinet Office Strategy Unit (2003). *Ethnic Minorities and the Labour Market Final Report*.

⁴ Sometimes referred to "all sources of disadvantage that might lead an ethnic group to fare less well in the labour market than do similarly qualified white people"

The major output of this Group will be the production of an agreed action plan.

To address the objectives, at the first meeting the Group agreed on the following workstreams:

- Government practice and leadership
- Entrepreneurship, finance and business support
- Education, training and skills support development
- Equality in the workplace
- Labour market segregation

In addition, the Executive's Race Equality in Rural Areas Strategic Group is considering issues around employment (among other things) and will make recommendations in this area in summer 2006 as part of the Executive's National Strategy and Action Plans on Race Equality.

What do we know from existing data?

Many workless individuals from Ethnic Minority groups make few demands on current services despite their needs often being higher than average. Employment services find it hard to reach them and difficult to engage them in work-related services. This is because many face multiple barriers that may require specialist support.

We will ask local partnerships to clearly define the size and nature of the local workless client group and their barriers to ensure that the appropriate necessary specialist support can be provided.

We are conscious that the employment needs of people from an ethnic minority background may be overlooked unless specific action is taken. The Executive will remind the delivery partnerships of the need to ensure equality of employment opportunities at a local level, particularly with regard to race equality given the statutory race duty to which many partners will themselves be subject.

In the light of the strategic drive behind the Ethnic Minorities & the Labour Market strategic group, we will consider the ethnic penalty, the employment gap and labour market segregation in the context of rolling out Workforce Plus.

What gaps are there that may need further research consultation?

We are aware of the gaps in labour market information for some Ethnic Minority groups. We are working with the Ethnic Minority & the Labour Market Strategic Group and we will consider its recommendations on research and employment intelligence.

Have potential negative impacts been identified for any equality groups?

- Research shows that there are complicated relationships between ethnicity and worklessness although in general, people from minority ethnic backgrounds tend to have lower employment rates.
- Workless people in ethnic minorities are less likely to be receiving benefits than workless white people. 54.5% of all ethnic minorities do not claim benefits compared to 31.4% of workless white people.

What is the likely impact of the policy on individual service users or the public

By creating an integrated range of employability services at a local and national level, Workforce Plus will be working towards making the following offers to client and employers. All disadvantaged groups including people from Ethnic Minorities looking for work, should benefit from the offer set out to clients through a wider range of partner organisations.

The offer to employers:

- There will be a common assessment approach for potential employees, to help match clients to your needs.
- There will be ‘aftercare’ and in-work support provided for people who need it, to help them adjust to their new employment, especially those who may not have worked for some time. This should help reduce the cost and effort of losing new employees within weeks of recruitment.
- There will be a trial/pilot of a ‘brokerage’ service which will provide you with a clear access point to help you make an informed choice when and if you need help with recruiting or keeping people in work.
- Employers can expect potential recruits to have good basic soft skills.

The offer to individuals:

- If you want to work, whatever your current circumstances, you should get support from organisations that are best placed to help you develop all the relevant aspects of your confidence, ability and skills; move into work when you are ready; and (if you need it) to maintain and develop your job and career.
- You will receive a thorough assessment of your current situation, agree what you need to deal with as a priority towards making progress to work, identify where you can get the help you need and be introduced to the best person to provide this help.
- Your progress to work will be measured in a way which helps you see the progress that you have made.
- You may need different people in various organisations to help you. If so, with your permission, these organisations will share information, building on what you have already

achieved, with the common objective of helping you take a job and stay in good quality work.

- You will be helped to work out how employment will affect your income in the short and long term, and to manage your household finances if you need help to do this.
- You will get help to find affordable, accessible childcare if you need it to help you enter training or work.
- You will be helped by people who know where the local job opportunities are, and know the local employers and their needs well.

If there is awareness of particular needs for Ethnic Minority groups in local areas, local services will need to respond to this. Such services could include training and awareness raising for staff to ensure appropriate services are provided; or providing assistance to employers that will enable them to take these needs into account appropriately and avoid indirect racism.

Does the qualitative data show difference between each of the race equality groups?

- As mentioned on pages 9 & 11 we are aware of the limited up to date data available on employment and ethnicity and the need for more work to be done to understand the differences and to encourage different minority ethnic groups into the labour market.
- The data on employment indicated differences in the ways different groups access employment. To avoid Workforce Plus inadvertently sustaining these differences, local partnerships will consider how these differences are reflected in its delivery.

If the differences between the various race equality groups amount to adverse impact how will the policy respond to the needs of these groups?

At the strategic level Workforce Plus aims to promote equality of opportunity for all. Workforce Plus requires realistic targets to set for improvements in the rates of worklessness among particular disadvantaged groups in the 7 priority areas. At a local operational level there may be differences depending on how specific programmes and projects are implemented. We know that people from minority ethnic communities already experience an adverse impact in terms of access to employment. Therefore, Workforce Plus should have a positive impact.

Could the policy be directly or indirectly discriminatory?

- We think it is unlikely as the Executive will remind the delivery partnerships of the need to ensure equality of employment opportunities at a local level, particularly with regard to race equality given the statutory race duty, to which many partners will themselves be subject. Employment is seen as the best way of raising people out of poverty and there will be a focus on those most excluded from the labour market which should address any imbalances that exist between particular groups. The policy intent is to close the

opportunity gap for all disadvantaged groups including people from ethnic minority groups.

- Local partnerships will be required to draw up action plans to reduce levels of worklessness in their areas.

If the policy could be indirectly discriminatory, could it still be justifiable under the Act?

N/A

Preliminary findings

The summary of our findings would indicate that at a strategic level Workforce Plus is more likely to promote equality than to discriminate against people from different groups. Workforce Plus recognises the need to make job opportunities in Scotland open, fair, and inclusive if it is to achieve its objective to help those furthest from the labour market. It will need to remind the delivery partners of the importance of pro-actively promoting equality of opportunity and addressing any unlawful discrimination, both direct and indirect, particularly since many partners will themselves be subject to the statutory race duty. We recognise there is a need to examine how our strategic direction translates at the operational level. This will form part of the delivery and planning process for Workforce Plus.

Monitoring and Review

How will the policy be monitored for race equality? How will results of monitoring be used to develop future policy and practice? When is the policy due to be reviewed?

Workforce Plus will be monitored by the National Employer Workforce Partnership and reviewed at the end of 2007. Monitoring of performance by local partnerships will be an important element of this ongoing dialogue between the national and local partnerships. It will be crucial to the future development and delivery of the policy. There are also issues on the accuracy of data and we will continue to work with the Ethnic Minorities and the Labour Market Strategic Group who are considering ways to improve the quality of data.

Summary of Action Required Following Impact Assessment

- We will issue guidance to the 7 priority areas as part of our planning process which will remind partnerships of their responsibilities to ensure race equality of employment opportunities.
- We will continue to work with the Ethnic Minorities & the Labour Market Strategic Group on the development of its action plan including the need for further research.
- We will continue to involve people from minority ethnic communities in the implementation of Workforce Plus.
- We will ensure that any developments of Workforce Plus are explicitly linked to the action plan of the Ethnic Minorities and the Labour Market strategic group.

Publishing

This assessment will be available on the Executive's website.