ISLAND COMMUNITIES IMPACT ASSESSMENT TEMPLATE

Digital Economy Skills Action Plan (DESAP)¹ Name of Policy, Strategy or Service

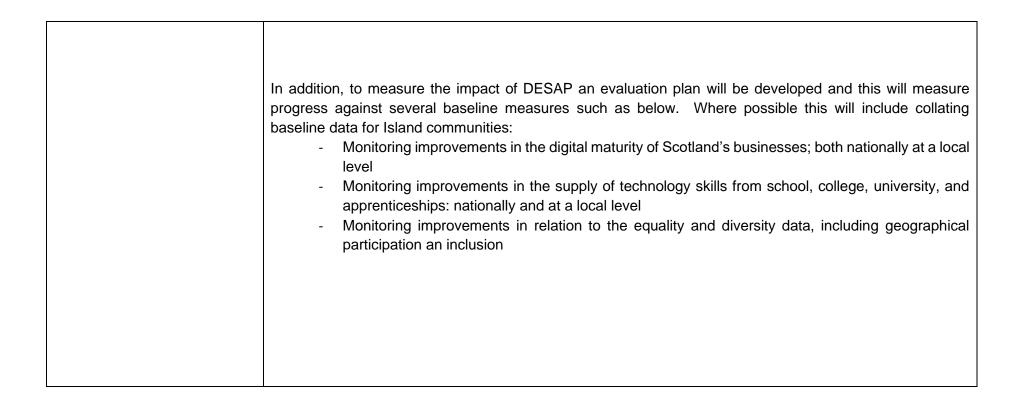
STEP ONE – DEVELOP A CLEAR UNDERSTANDING OF YOUR OBJECTIVES

	Background
 What are the objectives of the policy, strategy, or service? What are the intended impacts/ outcomes and how do these potentially differ across the islands? 	Scottish Government have an ambition for Scotland to be a digital nation and their strategy <i>Digital Scotland: A Changing Nation</i> details how they will support every business and every individual in Scotland to embrace the economic opportunities presented by the digital economy. ² Achieving this ambition requires an inclusive skills and education system which is responsive to the ever-changing needs of the digital economy. This will enable individuals to access the high-quality digital economy job opportunities, contribute to community
	The development of DESAP as a document is new; the actions plan within DESAP are a combination of existing actions which are to be scaled, as well as some new actions.
	Objectives of DESAP
	The objective of DESAP is to support digital economy employers across Scotland to be able to access the skills they need in their new and existing workforce. To do this DESAP identifies five thematic areas of opportunity where the enhancement of digital economy skills will make an important contribution to the economy and to the Digital Scotland ambition.

¹ <u>Digital Economy Skills Action Plan</u> ² <u>Digital Scotland (2021)</u>

These five areas have been identified based on the evidence but also to reflect national priorities and investment such as the National Strategy for Economic Transformation. They have also been developed to make DESAP relevant to every employer across every sector and in every region in Scotland.
 Supporting a Vibrant Technology Economy - employers who require a supply of professional digital skills such as businesses operating in the tech sector, in public sector, local authorities, banks, education, health etc
 Supporting Growth in Emerging Sectors – traditional sectors which are being transformed by technology such as agri-tech, health-tech and travel-tech. Emerging sectors are important to Scotland as they typically expand the tech sector beyond the cities and central belt as they build on traditional industries and other regional assets
 Increasing Scotland's Digital Maturity – supporting organisations across all sectors to access and develop the skills to advance their digital capabilities. This is pan-sectoral but with clear benefits to be had by supporting industries important to Scotland's growth such as tourism, food & drink, rural industries and the creative economy.
 Cross Sector Collaboration to Address Clime Emergency - building on opportunities to developing approaches to make digital and green skills interventions accessible to small and micro businesses Supporting a Diverse and Inclusive Digital Economy – the digital economy has the potential to improve productivity across Scottish businesses, and at the same time presents the opportunity to support inclusive growth, and to tackle existing inequalities across the labour market including issues associated with geographical exclusion.
DESAP analysis has also been distilled into five priority action plan areas which will address digital economy skills challenges. The priority action areas have been developed to be sector and discipline agnostic and to drive the structural change which will have sector wide and Scotland wide impact. Under each of these headings a series of action areas have been identified:
 Create opportunities for all young people to develop critical digital economy skills which will support a high-growth, resilient, and inclusive Scottish economy- This priority action area will set out the collective action required to increase the numbers of young people progressing into roles which require integrated digital skills and professional digital skills. Improve the evidence base of current and future digital economy skills needs to support the
transition to a digital economy and increase the pace of economic growth - This priority area

4.	 will identify the key actions which will ensure that current and future skills investment to support the digital economy is based on a strong evidence base. Improve the digital leadership skills of small and medium sized organisations to enable more rapid scale-up and growth - This priority area will identify the actions which will contribute to improving the digital maturity of small businesses by providing them with the skills to manage their digital transition Ensure that more skills and employment opportunities contribute to a fairer, more inclusive, and diverse Digital Economy - This priority area will set out the actions which will ensure that fairness and inclusion are at the heart of the digital economy skills agenda Rapidly increase the acquisition of critical digital economy skills through workforce development, upskilling, and reskilling - This priority area will set out the collective actions which will economy skills requirements of employers
Impac	t and Outcomes for DESAP
the So advan may fa	tention is that the outcomes achieved by DESAP do not differ between islands, or between islands and ottish mainland. If this was to be the case then we would not have delivered DESAPs objective of cing an equitable Scotland's digital economy skills. It is however noted that different parts of Scotland ice different or additional barriers and DESAP identifies actions to mitigate this such as by ensuring we with rural and Islands partners to inform the next step implementation of DESAP actions.
to ider	ESAP action plan consists of a broad range of high-level actions which will need to be scoped further itify how they will be delivered. Each action will have its own project plan which will articulate project c objectives and measures which will be national and/or local as appropriate.
	t plans will also identify where there is a need for further research to gather additional baseline data will identify national and regional targets, impacts and measures of success.
	e appropriate individual action areas will also develop their own Island Community Impact sments.



STEP TWO – GATHER YOUR DATA AND IDENTIFY YOUR STAKEHOLDERS

	DESAP Evidence
• What data is available about the current	As part of DESAP development a wide range of evidence sources were consulted and a
situation in the islands?	summary of some of the relevant data is provided below.
When are your key Stakeholders?	
Who are your key Stakeholders?	Digital Technology Business Base
• How does any existing data differ	
between islands?	Digital technologies businesses are located throughout Scotland but most are within the
	central belt and within cities. In addition, the cities are also more likely to attract the larger
Are there any existing design features or mitigations in place?	technology employers.
	Eighteen local authority areas have solely micro digital technologies businesses including all
	the Island communities. The number of digital technologies businesses is lowest in Na h-
	Eileanan Siar, Orkney, and Shetland Islands, which each accounting for around 0.1%-0.2% of
	businesses in the sector in Scotland. There are however great examples of digital technology
	businesses located in the Islands such as Sitekit on Skye who develop medical technology
	and Mesomorphic an app development company in Shetland.
	The digital technology sector tends to have a higher full time employment rate than for the
	whole Scottish economy and for example Argyll & Bute has one of the largest proportions of
	people employed on a full-time basis in the digital technologies sector. Conversely Na h-
	Eileanan Siar is a local authority where full-time digital technology employment is lowest,
	although this is still higher than the overall full-time employment rates for other sectors in this
	local authority.
	However, the remit of DESAP is much wider than just digital technologies businesses and has
	been designed to support skills in the digital economy which describes a connected economy,
	which includes every business that uses technology to communicate, create, consume,
	innovate, and trade.

The digital economy provides Increased opportunities to work from island communities through the digital environment and due to the post-covid prevalence of remote working which will continue to break down geographical barriers, creating opportunities for people to work flexibly from anywhere. This means that individuals can access a wider pool of potentially high value job vacancies remotely, and there is increased opportunities for the development of online businesses in Island Communities which will help with the implementation of SG's Population Strategy to deliver appropriate and sustainable regional development and a skilled workforce in those areas most acutely affected by depopulation.
Digital Maturity of Businesses ³
The level of engagement with digital technologies by businesses in the Highlands & Islands has improved since 2017, but it continues to be below the Scottish mean.
 80% of Highlands & Islands businesses lacked a digital strategy which is slightly above the Scottish average of 73%
 38% of Highlands & Islands businesses used ecommerce to trade online which is higher than Scotland at 35%
 81% of Highlands & Islands businesses felt the workforce were equipped to mitigate a cyber security threat
 19% of Highlands & Islands businesses felt fully equipped with digital skills, compared to 21% Scotland; the most pressing skills gap was basic digital skills 26% of Highlands & Islands businesses were taking action to address skills challenges which is below the Scottish average of 29%

³ HIE Digital Business Survey

techr produ and	er businesses were nologies than smalle uctivity impact inclu other services (41 5), Construction (3 loct.	er businesses ded business %) and with	s. Sectors most like activities (43%), h those in Transpo	ely to reponent to	ort a signific cial work (42 Communicat	ant %) ion
Education • Apprent	iceships					
authorities in Scotla Drkney Islands an participation by regi Digital Tec	hnologies apprent	arying extent s. The tab ticeships by	and with particul le below provides local authority, 2	arly low s a full 2020/21⁴	participation comparison	in
Local Authority	No.*	% of total	Local Authority	No.*	% of total	
Glasgow City	265	19%	Perth & Kinross	29	2%	
North Lanarkshire		9%	East Renfrewshire	11*	1%	
Edinburgh, City of	f 132*	9%	South Ayrshire	16*	1%	
South Lanarkshire	e 117*	8%	West Dunbartonshire	12*	1%	
Renfrewshire	101*	7%	Moray	6*	0%	
West Lothian	57*	4%	Midlothian	19*	1%	
Highland	40*	3%	Angus	8*	1%	
Fife	73*	5%	Stirling	21*	2%	
			Fast Aurobira			
Falkirk	28*	2%	East Ayrshire	36*	3%	

⁴ SDS Apprenticeship Statistics

 Increasing the school computing science cohorts by inspiring young people about digits careers remains a high priority for DESAP and it presents the opportunity to build on the existing activity and collaboration which SDS has supported to mitigate the challenges which have been identified for Island Communities by.⁶ Recognising that there is a smaller number of technology employers in the Island who can deliver inspirational activities in schools, SDS worked with the Silicon Croprogramme on Shetland to support school librarians to deliver technology activitie in school⁷ SDS delivers Discover Tech Skills: Live Lessons which mitigates the issues of face to-face engagement by streaming industry delivered inspirational 'lessons' acros all schools in Scotland.⁸ To increase the accessibility of employer engagement across rural and remot schools, and to ensure that schools who can't have face-to-face contact still benef from a good quality industry experience, SDS developed an Industry in the Classroom: Virtual Best Practice Guide⁸ SDS continues to support Digital Xtra Fund who has formed partnerships wit young people across Scotland such as in Stromness Academy in Orkney However, the DESAP consultation still identified a lack of accessible coding club in rural areas such as parts of the Highlands and Islands as a key challenge. 	ne ch ds ft es e- ss te fit ne th y.
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- ⁵ <u>SQA Statistics</u>
 ⁶Lessons from the Outer Hebrides
 ⁷ <u>Silicon Croft</u>
 ⁸ <u>SDS Live Lessons</u>
 ⁹ <u>Tech Industry Virtual Best Practice Guide</u>

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 Twenty-four colleges deliver digital technology provision, including in the Highlands & Islands college region which makes up for around 5% of the enrolments. University enrolments in digital technology courses have been increasing at a steady pace over the years. In 2019-20 digital accounted for more than 17,000 full person equivalents across Scottish universities. The only institution to experience a decrease in digital technology enrolments from 2015-16 to 2019-20 was the University of the Highlands and Islands, where enrolments experienced a small decline from 466 to 427 full person equivalents.
Digital Connectivity: An Interdependency
Improving the supply of digital economy skills presents a significant challenge but cannot be viewed in isolation as success will be affected by several interdependencies, such as the levels of digital connectivity which is essential if we are to have an inclusive and Scotland wide digital economy.
 Through the Digital Scotland Superfast Broadband programme over 95% of premises in Scotland can now benefit from faster speeds. However, gaps in connectivity persist and there remains a divide particularly between urban and rural Scotland¹⁰. An Inspiring Scotland report identified that both high cost and slow internet are the two main blockers to digital in rural areas¹¹ and that Orkney and Shetland and were among the six worse UK local authority areas for broadband speeds but this was not restricted to the Islands as Highland also featured in the bottom five.¹² Borders has also been identified as an area with connectivity challenges.¹³

 ¹⁰ <u>A changing nation: How Scotland will thrive in a digital world,</u>
 ¹¹ <u>Inspiring Scotland, 2020</u>
 ¹² <u>Scottish areas worst for broadband speeds, says Which? - BBC News</u>>,
 ¹³ <u>Future Scot broadband connectivity</u>

Despite connectivity challenges which will impact rural and island communities' access to digital, there has been progress in reducing the digital divide between urban and rural areas. For example, The Orkney mainland and the island of Westray now have more efficient internet provision, with over 75% of premises now connected to superfast broadband as part of Scottish Governments R100 programme. ¹⁴ The R100 programme has contributed to more than 80% of homes and businesses in more than 290 communities across every part of the Highlands and Islands, now have access to superfast broadband. ¹⁵ Orkney Islands, Shetland Islands, seeing around 33% improvement in broadband download speeds. ¹⁶
• The connectivity divide is not unique to the geographical challenges faced by the Islands as home internet access is a barrier for individuals in the most deprived areas in Scotland, and amongst those on low incomes. ¹⁷ This digital divide has been amplified because of the pandemic heightening the importance of good quality and stable internet access in all aspects of daily life and including in the delivery of education and skills. Those in education with no access or limited access to digital technology will be at a significant disadvantage, potentially missing out on the same learning opportunities and skills provision as their peers.
This means that for DESAP it will be important to consider a range of delivery approaches as whilst it can be natural to default to online delivery to mitigate the challenges associated with rurality, this could also have unintended consequences for Island communities and for disadvantaged individuals if they lack access to good quality connectivity.

 ¹⁴ <u>Connectivity | Orkney.com</u>
 ¹⁵ <u>Highlands and Islands Enterprise | Supporting Business & Communities | HIE></u>
 ¹⁶ <u>Digit Broadband Speeds</u>
 ¹⁷ <u>The digital divide - inequality in a digital world</u>

STEP THREE - CONSULTATION

	DESAP Development
Is there are information already gathered through previous engagements?	Ekosgen were appointed to undertake the development of DESAP which involved analysing existing research and completing industry and stakeholder consultations to test their desk
How will you carry out your consultation and in what timescales? Public	research findings.
meetings/Local Authorities/key Stakeholders	Secondary research sources which were consulted included the Digital Economy Maturity Index, HiE Business Panel Survey, Skills Action Plan for Rural Scotland, National Islands Plan, and Connected Nations 2020 Scotland Report.
• What questions will you ask when considering how to address island realities?	Ekosgen delivered a series of online open consultation workshops which were delivered in partnership with Highlands and Islands Enterprise as well as with South of Scotland Enterprise Agency, and Federation of Small Business to help co-promote the opportunity. Consultation workshops were also promoted on Linkedin and through the SDS Sectoral and Regional Leads
Separate consultation events for Island communities/Local Authorities?	to maximise reach.
	Participating stakeholders ranged from colleges, local authorities (both as digital employers and as providers of services), regional and industry leadership groups representing sectors such as the creative economy, tourism, rural economy, oil & gas, tech sector and food & drink), education and Government. This also included representatives who were able to provide input relevant to developing this Island Communities Impact Assessment, as well as gaining input from SDS colleagues with Island responsibility and from training providers who work with Island communities.
	The consultation discussion focused on understanding the challenges for digital economy skills for different types, sizes and locations of employers and generating solutions which would overcome the barriers.
	The development of DESAP was also supported by an Expert Group whose membership included Highlands & Islands Enterprise, South of Scotland Enterprise, Scottish Enterprise,

 Federation of Small Business, Scottish Government, AI Alliance/Data Lab, Inclusion Scotland, Scottish Funding Council, and Business Gateway/Digital Boost DESAP Implementation To supplement this initial consultation and as we move into the implementation of DESAP, further research and stakeholder input will be undertaken to inform and support the effective delivery of DESAP actions. This will include a combination of: Establishing action specific workstreams and short life working groups where we will bring together the appropriate stakeholders to guide and inform the development of each action. Undertaking further research where required to collate additional baseline data which will identify national and regional targets and impacts. Undertaking further research with relevant stakeholder to inform the development of individual actions
As part of this SDS will invite representative of Island Communities to participate in the above opportunities. And where appropriate individual action areas will also develop their own Island Community Impact Assessments. In addition, DESAP identifies that it will establish a DESAP Equality Diversity & Inclusion (ED&I) Advisory Group to inform and stress-test the implementation of proposed DESAP activities for barriers to inclusion and this includes geographical inclusion. A representative/s of Island Communities/s will also be invited to join this group. DESAP will also seek out other opportunities to continue to engage and gain insight from Island Community representatives such as the SCDI Highlands & Islands Strategic Engagement events which are running during 2023 and which will bring together their members with a base in or regional interest in the local authority areas of the Highlands & Islands in order be to

promote discussion and action around specific regional opportunities and challenges. As part of this SDS will lead a Skills & Lifelong Learning Q&A session with Comhairle nan Eilean Siar, UHI Outer Hebrides and employers.

STEP FOUR - ASSESSMENT

ally challenging for consultees in areas of rural Aberdeenshire and h of Scotland. However as detailed above SDS will continue to monitor nallenges or barriers created by the implementation of DESAP and we closely with Island Community and other rural representatives.
ped to provide the framework for a five-year action plan and as detailed nunity Impact Assessments are likely to be developed.
is in DESAP which have been included to specifically respond to the ployers:
employers in rural, remote and Island communities may have different networks, DESAP will work to upskill business advisers in digital all business can be signposted to relevant advice and support
a pilot placement programme for technology students to be placed in o support them to deliver digital transition projects
plementation of DESAP continues to be relevant to remote, rural and such as by –
he Highlands and Islands Skills Leadership forum and the Highlands egional Economic Partnership, digital economy needs of the refreshed Skills Action Plan for Rural uture agreed actions.

 Working with South of Scotland Enterprise on the implementation of their Digital Strategy
Other Mitigations
In addition to the actions which will be driven by DESAP several of the challenges identified are out with the scope of DESAP and actions are being taken by other partners such as:
 Scottish Governments Reaching 100 (R100) programme continues the commitment to ensuring 100% superfast broadband connection in Scotland.
 The Scottish Tech Ecosystem Review is advancing actions to address the under-supply of computing science teachers, and to develop a Scotland wide strategic approach to supporting code clubs for young people
 Education Scotland have identified the need to examine computing science at schools' data in more detail, and specifically how both uptake and completion of exam-level computing science varies across local authorities. It is expected they will examine socio- economic characteristics and whether any such variation exists across different schools in rural and remote local authorities.
 Through Scottish Governments Tech Scalers Network of regional hubs action will be taken to expand the Scottish tech sector beyond traditional sectors and create an environment where Scottish start-ups will succeed and grow.

Is a full Island Communities Impact Assessment required?

You should now determine whether, in your opinion, your policy, strategy or service is likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities). To form your opinion, the following questions should be considered:

- Are there mitigations in place for the impacts identified and noted above from stakeholders and community consultations? (If further ICIA action is not required, complete the section below and publish).
- Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as levels of satisfaction, or different rates of participation)?
- Are these different effects likely?
- Are these effects significantly different?
- Could the effect amount to a disadvantage for an island community compared to the mainland or between island groups?
- If your answer is 'no' to the above questions, please complete the box below.
- If the answer is 'yes', an ICIA must be prepared and you should proceed to Step 5.

A full Islands Community Impact Assessment is NOT required

In preparing the ICIA, I have formed an opinion that our policy, strategy, or service is NOT likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities). The reason for this is detailed below.

Reason for not completing a full Islands Communities Impact Assessment:

In preparing this Island Community Impact Assessment, SDS has formed the opinion that DESAP is not likely to have an effect on an Island Community which is significantly different to other parts of Scotland. This reasoning has been arrived at based on the following:

- The assessment does not identify any negative impacts or barriers which are unique to Island Communities. Several challenges relating to rurality were identified during the consultation (such as access to connectivity, ease of face- to face delivery, and availability of digital employers and role models) but these were equally challenging for consultees in rural Aberdeenshire and Inverness and in parts of South of Scotland.
- As a national document, the actions detailed in DESAP are expected to have a positive impact Scotland wide including on island communities. It is paramount that DESAP is implemented in a way to ensure that Islands have access to the same DESAP opportunities as wider Scotland. This may involve undertaking further action specific research and consultation as well as taking further mitigating actions as DESAP actions are further scoped and implemented.
- The overarching aim of DESAP is to support employers to reduce their digital economy skills gaps and shortages by increasing the supply of people with relevant digital economy skills. The intention is that the outcomes for DESAP do not vary for islands communities otherwise DESAP will not have achieved the greater equality and improvement in digital economy skills. The priority action areas have purposely been developed to be sector and discipline agnostic and to drive the structural change which will have sector wide and Scotland wide impact.
- DESAP provides the national framework for the next five-year period to 2028 and presents a high-level action plan. Implementation plans and delivery plans for each individual action will be developed. This will involve establishing short life working groups and workstreams which Island Community representatives will be invited to join. It will be fundamental that these plans take account of all

regional, rural and islands variances so the implementation will involve where appropriate establishing regional targets and outcome measures as part of the DESAP evaluation.

- The DESAP Equality Diversity & Inclusion (ED&I) Advisory Group which will have a remit including geographical inclusion will provide expert guidance on the next steps of implementing the DESAP action plan. Island Community representative/s will be invited to join this group.
- Where appropriate action for some of the action areas this will involve preparing individual Island Community Impact Assessments.

Screening ICIA completed by (name)	Phil Ford and Claire Gillespie
Position	Head of Digital Economy Skills and Digital Economy Skills Manager
Signature and date	Clave Sulospo Philip Ford March 2023
ICIA authorised by	Chris Brodie
Position	Director Sectors and Skills Planning
Signature and date	Chins Boole
	March 2023

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