

CROSS PARTY GROUP on WOMEN IN ENTERPRISE ANNUAL REPORT 2023



Secretariat: Sophie Rooney and Fergus Hallwood, Women's Enterprise Scotland

From the Convenor – Michelle Thomson MSP



I want to express my deep gratitude at being appointed Convenor of the Cross Party Group for Women in Enterprise. Of course, I have big shoes to fill after the departure of my colleague Gillian Martin MSP and the fantastic work she has accomplished in this role these last few years. The Cross Party Group continues to be an emblem of non-partisan co-operation, ensuring that innovative and forward-thinking policy ideas are put on the table. Thankfully, we have been able to meet each other both in-person and online, which has eased access for a greater number of our members while also maintaining the intimacy that is so vital for successful discussion. In a year that has seen the cost of living worsen across Scotland, there is as ever the need to ensure that women-led businesses are able to not only survive but thrive. As such, the group has also addressed the gender pension gap - an issue that is inseparable from the cost of living crisis and has become more acute in the last twelve months or so. Economic challenges pose a threat to everyone, but especially women and the businesses they lead. This should strengthen our conviction that representation of women's issues in the national legislature is not only advantageous but crucial. However, it's not all doom and gloom - indeed, we conducted a very productive November meeting which reviewed the concept of Scaling Deep and the positive impact that smaller businesses can have on both local communities and the wider region. And that, again, is what is so important about this group - the ability to at once address the most critical issues facing women in and beyond business today, as well as searching for new and creative solutions to these problems. I look forward to working with you all in the coming session.

The Cross Party Group

Women's Enterprise Scotland established the Women in Enterprise Cross Party Group 6 years ago to provide a platform for Scotland's women entrepreneurs to advocate for their needs. In those years there have been 6 annual reports, amplifying the voices of diverse women, 23 sessions of cultivating collaboration across the political spectrum and 23 topics tackled, including access to finance, internationalisation, minority ethnic women in enterprise, older women, disabled women, rural based women, Net Zero, Procurement and Cost of Living.

The Cross Party Group (CPG) for Women in Enterprise was set up to –

- Establish a forum for the sharing of experiences and information on the landscape for women in enterprise in Scotland.

- Enable discussion and debate on the enduring gender gap in enterprise participation and seek solutions on how this might be tackled.
- Bring partners together with an interest in women and enterprise to develop a collaborative approach towards solutions and action.

Each year a number of themes are chosen which are important to the discussion on women in enterprise and speakers and guests are invited to take part in the meetings. Organisations and individuals with expertise and interest in each theme are invited to attend and participate in the CPG. This enables relevant and structured discussion on a thematic basis and allows for varied attendance at each meeting.

This year, meetings focussed on – Cost of living, pension poverty, and Scale Deep.

March 2023: Cost of Living

Jackie Brierton, CEO of GrowBiz, Julia Latif, the co-owner of Our House of Spice, and finally the founder of Eteaket Leaf Tea Co. Erica Moore all provided enlightening presentations that helped to highlight the challenges that countless businesses have faced across the UK due to the cost-of-living crisis.

Jackie Brierton's work through GrowBiz has always sought to improve the conditions of entrepreneurship in rural Scotland. The analysis of rural businesses during the cost-of-living crisis is incredibly informative. As highlighted during her presentation, over a third of business owners in rural areas had felt significantly impacted by the crisis before 2022 had even finished. Some of the biggest issues arising from or related to the crisis were said to be rising fuel costs, an uptick in utility bills, increased costs from suppliers and, ultimately, a lack of orders. On top of this, nearly half of survey respondents said that they anticipated a range of issues, such as exhaustion and strain, that would affect their overall wellbeing. In response to these problems, Jackie called for the rural proofing of Scottish legislation, better access to funds and more crisis-adaptive business support. Moreover, Jackie intends to undertake a similar survey the following year to compare results, which may help to further address the highlighted issues. On a more positive note, GrowBiz had seen massive growth in interest and had received more enquires about starting a business in the two months prior than the entire previous three years.

Next up, Julia Latif discussed Our House of Spice and the dramatic changes she had observed since 2012. Her story of having to make difficult choices during the height of the Covid-19 pandemic illustrated just how strenuous it was for female entrepreneurs, particularly those of an ethnic minority background. Choosing to move her business down to Cambridge from Fort Augustus to look after her parents, and the slow recovery of Our House of Spice encouraged Julia to eventually shift her priorities away from business and towards non-profit work. Julia's

presentation then highlighted the data of several non-profits showing that minoritised ethnic groups across the UK have experienced the effects of cost of living more severely than white counterparts. Moreover, Julia emphasised the double impact of the cost-of-living crisis with the pandemic, in which ethnic minorities had been worse hit in terms of death rates, unemployment and poverty. This has made it harder for communities to recover and weather the crises. Julia called for more attention to be paid to the plight of ethnic minority communities, highlighting that while white female business owners are seeking gender equality, those of colour must deal with discrimination on multiple fronts.

Finally, Erica Moore drew from her own experiences to expertly convey the serious challenges that the Scottish hospitality sector is currently facing. As she pointed out, almost a third of hospitality businesses are at risk of collapse and more than ten percent have already done so since the start of the pandemic. This was only three years after the sector had been employing almost 300,000 people and injecting around £6 billion in the Scottish economy every year. A combination of soaring energy prices, resource costs, wages, and a drop in footfall in city centres has contributed to these growing difficulties. What will it take for the sector to continue growing once again? According to Erica, the main goals should be intervention in the energy market, a cut on VAT, a hospitality recruitment drive, and improvements for mental wellbeing services. Hopefully, decisive measures can be taken to save Scotland's much-needed independent hospitality sector.

May 2023: Pension Poverty

In May, we welcomed Jill Henderson and Alison Nicholson of Scottish Widows, and Brenda Santimano CEO of HFL Holistic Financial Leadership to talk about the issue of pension poverty. Factors such as the gender pay gap, childcare, caring responsibilities and more women working in part-time roles have all had a negative impact on women's ability to make pension provisions. Our presenters, as will be shown, helped to elaborate on the issue further.

Alison and Jill were effective in explaining the structural inequalities currently affecting women's pension attainment. Their striking statistics – for example, that most part-time workers are female, and that men end up with over £100,000 more in pension funds than female counterparts – were particularly revealing. They also touched on the cost-of-living crisis and how it had significantly diminished the retirement savings of women in Scotland. This impact is even more severe for single mothers, who reported more acute stress levels and worries. Notably, they also included an evaluation of the impact on ethnic minorities – supporting Julia Latif's presentation in March – and conveyed the even greater risks that these groups face. In all, the pair successfully demonstrated that not only does a gender pension gap exist, but it has worsened in the wake of the cost-of-living crisis.

Presenting next, Brenda Santimano helped to reveal the deep division in pensions earnings between women and men. Through her position as head of Holistic Financial Leadership, Brenda has borne witness to a growing gap, part of which is due to older generations and their more traditional gender roles. Referring to Section 190 of the Finance Act (2004), Brenda then outlined how basic provisions guaranteed by said legislation have not kept up with the times, meaning that those contributing to the scheme are currently losing out on several thousands of pounds. Moreover, it was detailed how few women in enterprise receive any sort of pension provision. Brenda noted the lack of awareness of pension schemes themselves, citing the need for greater education on the topic. Other proposals included implementation of pensions training in the national curriculum, tax advantages for younger people to encourage pension contribution, and an immediate increase of basic contribution allowance to £7,299 among others.

November 2023: Scale Deep

For our final CPG meeting of the year four speakers, Iain Scott, Alisa Clark, Milly Tamati, and Jackie Brierton were welcomed to help shine some light on the topic of Scaling Deep.

First up, Iain Scott succinctly explained what exactly the term ‘scaling deep’ means and why exactly it is so important to the business sector. According to Iain, the definition of a scale-deep company is not clear-cut, but there are some common characteristics. One such characteristic is that they are connected to the area around them – culturally, structurally, and economically. Another defining trait is in fact a lack of definition, at least in terms of growth rate. Scale deep companies cannot be viewed as growing at a particular rate because fast gains are not a core tenet of the concept. The benefit of these types of business, Iain argued, is their nurturing impact on local communities. Unfortunately, over the last 25 years, local businesses have dwindled across Scotland. Iain pointed to particularly startling research from 2010 that asserted that only large, fast-growing businesses in the UK (making up 6 percent of the total) deserve government support. In retaliation, Iain proposed lobbying for more enterprise-proofed legislation so that future policy and governments stop neglecting the business sector.

Following on from this, Alisa Clark provided some excellent examples of how scaling deep has been and may be implemented in Scotland. The third sector is often presented as being of little interest to the national economy; in reality, however, it contributes more than two and half billion pounds with around 90,000 workers. Strikingly, nearly three quarters of social enterprises are led by women, compared to the twenty percent of female leadership roles in the private sector. Yet, Alisa pointed out that, often, women found themselves in these positions reluctantly. This, on top of a lack of knowledge regarding innovative entrepreneurial

techniques, is disadvantaging women and Alisa called for policy action to support the leaders of the Scottish third sector.

Milly Tamati, leader of Generalist World, used her experience as head of a women-only, rural-based micro-organisation to discuss the role of such companies in the wider community. Being based on Raasay, Milly not only heads Generalist World but is also an active member of the island's Community Association, highlighting the multitude of roles rural business owners may take on. Moreover, being set up in the wider Highlands area, much of her work is related to the need to offer attractive opportunities to local youth population, particularly, in Milly's case, young women. However, the difficulties that such enterprise face was emphasised – in response, Milly would like to see broader consultation processes, the reinstatement of the £20 million Rural Entrepreneurs Fund, and greater flexibility of the Pathways programme. Indeed, Milly ended with a powerful reminder: investment in women's business is not charitable, it is smart.

To end the session, Jackie Brierton once again presented for us. GrowBiz, could be situated well within the definitional boundaries of scaling deep, considering the organisational focus on organic – rather than rapid – growth. More, Jackie pointed out the fact the organisation works largely with women – up to 70 percent of its clients – as well as boasts comprehensive knowledge on rural businesses. Here, one of the main obstacles to success and sustainability is the lack of resources, especially the Rural Entrepreneurs Fund. Regarding scaling deep, GrowBiz works primarily with the Care, Tourism, and Foods and Drinks sectors – the latter of which tends to focus more on 'Scaling Up' than Deep. In the end, one of the most important things that can be done is to put Scale Deep on the agenda of national policy, such as National Strategy for Economic Transformation. Without such recognition, the future of the concept could be at risk.

Final Remarks and Thank You

I know that times are tough right now, and there is a lot of work still to be done, yet I can't quite help but feel a sense of pride in the work that this Cross Party Group has accomplished, and continues to accomplish, year on year.

Addressing major issues like the cost-of-living crisis and pension gaps is no mean feat. The expertise, professionalism, and compassion that each one of you has shown in the last year is remarkable.

I look forward to working with you all in a better, happier 2024.