Meeting with Amazon
19 December 2016

Note of meeting

Present:
Keith Brown, MSP, Cabinet Secretary for Economy, Jobs and Fair Work (KB)
Shirley-Anne Sommerville, MSP, Minister for Further Education, Higher Education and Science (SAS)
Douglas Chapman, MP, Dunfermline and West Fife
Lesley Smith, Director of Public Policy, Amazon (LS)
Paul Ashraf, General Manager, Dunfermline Fulfilment Centre (PA)
Tina Oakley, HR Director (TO)
Rob Kay, Regional High Volume Hiring Manager (RK)
James Eadie, Senior PR Manager (JE)
[redacted]
SAS's person?, Deputy Private Secretary, Scottish Government
DC's person?, Deputy Private Secretary, Scottish Government
[redacted]

Note of meeting

1. LS opened and outlined the importance of both being, and being seen to be, a good employer. PA followed this with an outline for the day.

2. KB asked to hear about Amazon's general response to recent media headlines reporting that some Amazon workers in Scotland have resorted to sleeping in tents near the company's warehouse to save money on travel costs, along with other reports reflectively negatively on Amazon's working practices. LS considered these reports to be misrepresentative, and gave an overview of Amazon's attendance system; a points-based system to measure attendance, no automatic dismissal, and a framework which allows managerial discretion.

3. SAS queried the differences in attendance management between agency and permanent staff. PA confirmed this was managed by the agencies and highlighted additional internal mechanisms Amazon have in place for agency staff. DC asked more generally about the difference between agency/temporary and permanent staff.

4. KB then asked about overtime in relation to the Working Time Directive, and the need or onus on employees to relinquish their rights. Amazon outlined the details of their exceptions system, which is drawn on particularly during peak periods, and advised that there was no duress.

5. Following this, KB specifically asked about the issue of individuals sleeping in tents and for an outline of the travel arrangements. LS outlined Amazon's recruitment policies and demographics emphasising their local employment levels. LS also gave an overview of the costs associated with the provision of transport and the subsidy levels Amazon contribute. PA gave an overview of the action Amazon personnel had taken following notification of the tents, as well as their general relationship with Fife Council.

Action – Amazon to provide further details on transportation including details of subsidies and frequency of travel.

6. Discussion then turned to the working culture in place at the Fulfilment centre following a query from SAS. PA described some of the systems in place to identify issues, secure feedback from staff and establish a dialogue with management which includes a connexions daily survey.

7. DC raised a concern expressed by his constituents regarding rubbish around the Amazon site from lorry drivers. Again, work with Fife Council on this issue was detail by PA as well as internal action including spot checks, driver fliers, analysis and requests for designation of double yellow lines.

Action – DC to forward on constituent concerns to Amazon for a direct response

8. KB outlined the Scottish Government's position in light of the recent media and parliamentary attention; we want Amazon to be an employer in Scotland, we value the jobs that Amazon contributes to our economy and that is why we have provided them with grants.

- He suggested this was an opportunity highlighting fair work and the Fair Work Convention as way to increase Amazon's profile.
- He asked that Amazon consider talking to the Living Wage Foundation to discuss the process of becoming Living Wage accredited. Here he outlined the moral and economic benefits of doing so as well as addressing the difficulties certain sectors, in this case retail, in paying the Living Wage.
- He queried Amazon's policy on Trade Union representation and asked them to support trade union activity in the workplace.

Action – LS agreed to consider the request to talk with the Living Wage Foundation and become an accredited Living Wage employer, but was clear no promises were being made.

Action – A following up meeting in the next couple of months was agreed.

CABINET SECRETARY FOR FAIR WORK, SKILLS & TRAINING

Briefing for meeting with Amazon

What	This is a category 3 engagement – with official support being provided in line with advice from your office. You will be visiting Amazon's offices in Edinburgh to discuss their employment practices and planned expansion in Scotland following an exchange in the Chamber during First Minister's Questions on 21 January 2016. Throughout January, there were also various media articles published by a number of outlets raising concerns over Amazon's employment practices and tax affairs. During this visit you will meet with several members of the senior management team as well as employees of Amazon to better understand its approach to employment and expansion plans within Scotland. You will also undertake a guided tour, with opportunities to meet employees of both the Amazon Development Centre and Amazon Customer Services. The visit will include a roundtable discussion with members of Amazon's senior management team which will provide you with the opportunity to raise your concerns. At the end of your visit you will have the opportunity to reflect on any observations made during your tour of the facilities. You may also wish to note that Amazon are currently refitting the ground floor to allow for increased capacity (circa 300 people) within the Amazon Development Centre. Amazon will share its plans and associated visuals for the new space.
Where	Waverley Gate, 2-4 Waterloo Place, Edinburgh EH1 3EG. A map has been provided in Annex O.
When	14:00-15:30 2 March 2016. A full agenda has been provided in Annex A.
Key Message(s)	• SG welcomes Amazon's plans to create more permanent jobs in Scotland. • SG believes it is important that all employees in every workplace are treated fairly. • SG is doing everything we can to drive up employment standards and promote good working practices with the powers available to us.
Who	On your arrival you will be met by: • Lesley Smith, Director of Public Policy • Graeme Smith, Managing Director, Amazon Development Centre Scotland • Emma Davison, Site Lead, UK Customer Service • [redacted] Public Affairs Intern Throughout your visit you will have the opportunity interact with other employees. Biographies have been provided in Annex B.
Why	This meeting has been arranged following an exchange in the Chamber on 21 January 2016 between FM and Willie Rennie regarding Amazon's employment practices and tax affairs, during which FM committed that you would undertake to contact Amazon to discuss their working practices and planned expansion in the UK, including Scotland. The full exchange is available via the official report: http://www.scottish.parliament.uk/parliamentarybusiness/report.aspx?r=10323&i=94985
Supporting official	[redacted]

CABINET SECRETARY FOR FAIR WORK, SKILLS & TRAINING

Briefing for meeting with Amazon

Briefing contents	**Annex A:** Event Programme **Annex B:** Attendees **Annex C:** Summary Page (including sensitivities) **Annex D:** Amazon Company Information (including grants, MAs and pay) **Annex E:** Fair Work/Fair Work Convention **Annex F:** Scottish Business Pledge **Annex G:** Fair Work and procurement **Annex H:** Women in work **Annex I:** Disabled workers **Annex J:** Older people in employment **Annex K:** Youth employment **Annex L:** Modern Apprenticeships **Annex M:** Tax avoidance and corporation tax **Annex N:** Retail sector in Scotland **Annex O**: Address and map (including parking arrangements)
Media Handling	No SG communications officials will be in attendance as this is a private meeting. Amazon have confirmed that the media has not been invited to attend this visit and that no member of the media will be admitted to its offices. Amazon have also confirmed that no photographer has been invited but that you are able to have photographs taken during the visit.
Social Media	Amazon are not undertaking any social media activity to publicise your visit. SG communications will take a view after the meeting as to whether it is appropriate to tweet a picture from the visit – this will depend on the outcome of the visit and whether there is a positive message to publicise.
Dress code	Flat/sensible shoes are advisable. Amazon will provide a hard hat and high-visibility vest at the appropriate points during your visit.
Greeting Party and specific meeting point on arrival (if event is at a non SE Building)	Please make your way to Amazon Reception on the Ground Floor where you will be met by Lesley Smith, Director of Public Policy, Graeme Smith, Managing Director, Amazon Development Centre Scotland, Emma Davison, Site Lead, UK Customer Service and Lamarah Steele, Public Affairs Intern. The primary on site contact is Graeme Smith, (07725 000 379).
Specific entrance for Ministerial car/parking arrangements	Access to the garage is from Calton Road beside the stairs to Waverley Station. Please buzz for access and indicate that you are visiting Amazon Customer Services. Car park space 7 will be available for the Ministerial car.

Copied to: First Minister, Minister for Youth and Women's Employment, DG Learning and Justice, [redacted] Communications Fair Work, [redacted]

ANNEX A

EVENT PROGRAMME

14:00 Ms. Cunningham arrives. Brief introductions/welcomes. Short presentation on Amazon in the UK and Scotland, including growth, products and services. This session will also include a discussion/briefing on Amazon's employment practices.

14:30 Overview of the Amazon Development Centre (Graeme), followed by a guided tour and meet with an employee.

14:55 Guided tour of Amazon Customer Services (Emma) and meet with an employee.

15:20 Opportunity to reflect on the tours and ask any further questions.

15:30 Close

SE Financial Support – Full Breakdown

ANNEX A

Description	2005	2006	2007	2011	2012	2013	2014	2015	Total Payments made
RSA - To establish a European Group support operation together with additional customer fulfilment capacity - Gourock	£555,000	£600,000	£500,000						£1,655,000
RSA - To establish a remote software development centre for web development - South Queensferry		£150,000	£50,000						£200k
RSA - To establish additional capacity to meet UK and European customer fulfilment requirements - Glenrothes		£200,000	£50,000						£250k
RSA - To expand the company's facility to satisfy customer demand - Gourock				£375,000					£375k
RSA - Development of a new fulfilment centre to satisfy customer demand - Dunfermline					£215,000	£165,000	£355k	£665,000	£1.4m
Property Infrastructure General		£50,000.00							£50k
Faulds Park - Major Project	£107,000.00								£107k
Amazon Customer Service Centre Training Plus consolidated Project - Edinburgh				£143,275	£213,410	£171,936		£94,461	£623,082
Contribution towards the fit out and preparation of premises at Waverley Gate - Edinburgh				£160,000					£160k
Training Plus - contribution towards training and management development - Dunfermline						£262,576		£224,788	£487,364
Support to attract new FDI investment	£21,600.00								£21,600
					Total				£5,329,046.05

ANNEX B

ATTENDEES

Lesley Smith, Director of Public Policy
Lesley is Amazon's Director of Public Policy for the UK and Ireland. She has previously been Director of Communications for ARK Schools and ARK (the international children's charity), Global Director of Corporate Affairs for Cable & Wireless plc, Corporate Communications Director for TSL Education, Corporate Affairs Director and Investor Relations Director for Dixons Group plc and has worked with three different leaders of the Labour Party.

Graeme Smith, Managing Director, Amazon Development Centre Scotland
Graeme leads a team of 100 highly-skilled professionals at Amazon's Development Centre in Edinburgh, the company's first dedicated R&D facility outside the US. The Edinburgh teams invent new technologies which operate at high scale with projects such as intelligent advertising and personalised online shopping recommendations which benefit Amazon customers worldwide. Joining Amazon in 2006, he held several roles before becoming MD in 2010.

Emma Davison, Site Lead, UK Customer Service

Emma leads Amazon's 400-seat Edinburgh Customer Service Centre, serving UK customers. Emma has spent almost 20 years in the UK Customer Service industry, leading customer experience operations and transformation programmes across the online retail, financial services and energy sectors.

[redacted] **Public Affairs Intern** (No biography available)

Lauren Gemmell
Lauren joined Amazon as a Graduate Software Engineer in 2006 working mainly on Dynamic Merchandising before being promoted to software engineer. Lauren went on to become a manager in 2012 before being promoted again in 2014. Lauren is currently leading the new 'Amazon Registry Services' program, managing the platform for Amazon's 50+ generic top level domain registries, making it easy for customers to buy, launch and maintain their online presence. Lauren also runs Amazon's Women in Engineering bursary at Edinburgh University and mentors two students.

Dave Wilson
Dave joined Amazon in September 2011 as a temporary Customer Service Associate following a 6 month period of unemployment. After gaining a permanent role two months later, Dave was promoted firstly to Team Lead in 2012, and then again to Team Manager in 2013. Following a short term secondment into a project role, Dave gained his current role of UK Customer Service Coaching Manager in 2015.

ANNEX C

SUMMARY PAGE

Sensitivity - Immigration/Tier 2 Visas
Issue: The Amazon Development Centre works hard to recruit in the UK and Europe, but is dependent on visas to attract the best international talent and to support our development and spread best practice and technology expertise within the company through internal company transfers. To maintain and grow the centre, it is important that the company can continue to access this international talent. In line with this, the company does have concerns about the proposed restrictions on tier 2 visas and the additional cost them.

Lines to take
- The UKG focus on arbitrarily reducing net migration irrespective of what value migrants might bring, what skills shortages they could address, or what contribution they could make to our economy and society, is wrong for Scotland and is harming our economic prospects.
- SG submitted a response in September 2015 to the Migration Advisory Committee's (MAC) Call for Evidence on their inquiry into Tier 2 of the UK Points Based System. Our response noted that migrants are key to Scotland's future and that the Scottish Government strongly opposes general measures to further restrict the numbers of skilled migrants able to work in Scotland.
- We understand that the UKG are currently considering the MAC's advice and recommendations. We will oppose any further changes to the UK immigration rules that create a barrier to business and industry in Scotland accessing the talent it needs to grow.
- SG welcome this opportunity to hear the particular concerns that Amazon have about the proposed restrictions on Tier 2 visas.
- Scotland's needs are different to those in the rest of the UK. It is essential that Scotland has an immigration system which enables businesses to attract and access the skills and talent needed to boost Scotland's long-term competiveness and to support Scotland's Economic Strategy.
- Alongside our efforts to create more jobs in Scotland and develop the skills of our workforce, we must be able to attract and retain world-class talent to fill vacancies which cannot be filled by resident workers.

Background
- Tier 2 is the main visa route for non-EEA individuals who wish to take up employment in the UK. Employers who wish to employ an individual under Tier 2 generally need to show that the job is sufficiently skilled; prove that the job cannot not be filled by a domestic worker; pay the required level of salary; and meet the various requirements of being a formal migrant sponsor under the UK PBS.
- The MAC is a non-departmental public body, sponsored by the Home Office and made up of economists and migration experts. It provides independent, evidence-based advice to the Government on migration issues. The questions they address are determined by the UK Government.
- On 19 January 2016, the MAC published advice to the UKG with recommendations on how to change Tier 2 (skilled employment) of the UK Points Based System (PBS) in order to reduce non-European Economic Area (EEA) migration.

Sensitivity – Living Wage
Issue: Amazon do not pay the living wage, at FMQ's on the 21 January 2016, Willie Rennie MSP (Lib Dem) indicated that he had received a letter from Amazon which indicated that they paid £7.20 per hour.

Lines to take
- SG fully supports the Living Wage Campaign and recognizes the real difference it can make to the lives of people working in Scotland.
- SG has demonstrated its commitment to paying the Living Wage by becoming an Accredited Living Wage Employer, and were the first government in the UK to do so.
- Although SG is not able to set pay levels in the third and private sectors, or indeed the wider public sector in Scotland where employees are not covered by our pay policy, we encourage every organisation, regardless of size or sector to ensure all staff receive a fair level of pay.
- SG is committed to engaging directly with companies, such as Amazon, in order to get more people paid the Living Wage.
- Despite increases to wage levels, UK National Minimum Wage is not a real Living Wage.

CABINET SECRETARY FOR FAIR WORK, SKILLS & TRAINING

Briefing for meeting with Amazon

Background

- Depth of low pay analysis would suggest that there is 'clustering' of wages at or just above the National Minimum Wage in the wholesale and retail sector. Around 50% are paid between the adult NMW and 50 pence more than it.
- The UK Government's new minimum wage (National Living Wage) of £7.20 will be introduced in April 2016 for over 25s. So for Amazon to adopt that 6 months early for all permanent staff is likely to set them above many other retailers in terms of their performance on low pay. Whilst £7.20 is still well below the Living Wage, it suggests a rate of progression which could be faster than competitors.
- Although the goal is payment of the 'real' Living Wage, Amazon's performance may be best judged in the context of their sector's performance, in which case their move to pay £7.20 early could be acknowledged and encouraged a step in the right direction.
- The Guardian (25/09/2015) noted that "Permanent Amazon staff's pay will rise by at least 11% over their first two years of employment to at least £8 an hour – up from a minimum of £7.75. They also receive benefits including private medical insurance, a company pension plan, life assurance, subsidised meals, an employee discount and Amazon share grants."
- But notably that "Amazon, which employs 7,800 permanent staff at its eight UK warehouses, would not reveal how many staff would be affected by the increase."[1]

Employees paid the Living Wage

Scotland had the second highest proportion of employees paid the Living Wage or more (80.5%) across the countries and regions of the UK, behind the South East (81.6%).

Proportion of employees aged 18 and over earning less than the Living Wage, 2015[2]

	Earning below LW	*Earning LW or above*
Scotland	***19.5%***	***80.5%***
Wales	***25.6%***	***74.4%***
Northern Ireland	***26.6%***	***73.4%***
England	***22.7%***	***77.3%***
- *South East*	*18.4%*	*81.6%*
UK	***22.7%***	***77.3%***

Rates of the National Minimum Wage

On 1 October the 2015 rates of the National Minimum Wage were implemented as per the table below. The "National Living Wage" of £7.20 per hour for over 25s will not be implemented until April 2016.

Age	***2014 Rate***	***2015 Rate***
Apprentice	*£2.73*	*£3.30*
Under 18	*£3.79*	*£3.87*
18-20	*£5.13*	*£5.30*
21+	*£6.50*	*£6.70*

National Minimum Wage and Living Wage hourly rates, current rates highlighted

Group	**National Minimum Wage**		
	From October 2014	**From October 2015**	**From April 2016**
16-17 Year Old Rate	£3.79	**£3.87**	
Youth Development Rate (18-20)	£5.13	**£5.30**	
Adult rate (21-24)	£6.50	**£6.70 - (21+ until April 2016)**	

[1] http://www.theguardian.com/uk-news/2015/sep/25/john-lewis-may-alter-staff-benefits-national-living-wage

[1] Source: Scottish Government Analysis of the Annual Survey of Hours and Earnings, ONS, 2015. Covers employees aged 18+ on the PAYE system on adult rates (i.e. excluding those on youth, training and apprentice rates) and whose pay was not affected by absence. Living Wage rate of £9.15 for employees in London, £7.85 for employees who did not work in London in April 2015

"National Living Wage" (25+)	n/a	**n/a**	£7.20
Apprentice Rate	£2.73	**£3.30**	

Group	Living Wage	
	By April 2015	**By April 2016**
UK (outside London)	**£7.85**	**£8.25**
London	**£9.15**	**£9.40**

Note: The new Living Wage rates of £8.25 and £9.40 were announced in November 2015. Employers must be paying these rates to become newly accredited. Existing Accredited Employers have until April 2016 to do so.

ANNEX D

AMAZON

Amazon is an American electronic commerce and cloud computing company with headquarters in Seattle, Washington.

The company started out as an online bookstore, later diversifying to sell DVD's, Blu-rays, CD's, video downloads and other items.

The company also produces consumer electronics—notably, Amazon Kindle e-book readers, Fire tablets, Fire TV and Fire Phone—and is the world's largest provider of cloud infrastructure services. Amazon is the largest Internet-based retailer in the United States.

Scottish Operations

Amazon has around 1,800 employees in Scotland (c. 12,000 FTE across the UK).

Amazon opened its first fulfilment centre in Scotland in Gourock in 2004 and opened a second, 1.1 million square foot facility in Dunfermline in 2011. This second facility was opened by Alec Salmond and is the largest fulfilment centre in the UK. Additionally Amazon also have a further small AMZL delivery station in Airdrie which supports Prime Now next day delivery and engages local delivery companies.

Amazon's Development Centre (Scotland) opened in 2004 in South Queensferry and was Amazon's first dedicated R&D facility outside the US. The Edinburgh teams invent new technologies which operate at high scale with projects such as intelligent advertising and personalised online shopping recommendations benefiting Amazon's 280 million active customers worldwide. Amazon moved to Waverley Gate in 2011. Within this department there are current 96 staff members but the site can accommodate up to 300.

Amazon Customer Services in Edinburgh is one of 12 sites globally that support customer service queries from UK customers, and is the only one that is located in the UK. The site opened in August 2011, and currently houses around 200 permanent Amazon employees, with a further 44 home workers in Scotland for whom the site is a hub. This team grows considerably over the festive period each year.

On the 22 January 2016, the company announced its plans to create a further 2,500 jobs across the UK, including potential jobs in R&D and customer service in Edinburgh. No job breakdown by location is currently available.

The company recognises the value of regular staff training and development across functions (logistics, customer service and technical) and they invest in this on an on-going basis. In addition they currently operate a specific programme aimed at developing women in their workforce.

Scottish Enterprise (SE) Engagement

Amazon is a Scottish Enterprise Account Managed company. SE last met with the company in April 2015, but maintain a regular contact via telephone and email.

Amazon has received a total of £5,329,046 in assistance from the Scottish Government (SG) and SE since 2005. This sum includes two Regional Selective Assistance (RSA) grants; £1.655 m to establish Amazon's facility in Gourock and £1.4m to establish the Dunfermline fulfilment centre. No SG/SE assistance has been provided in relation to the new planned jobs.

Amazon and retail

The second annual Internet Retailing guide[3] to the leading players in UK ecommerce and multichannel retailing placed Amazon amongst the 'Elite' in the market.

> "These Elite retailers lead in the world's most dynamic ecommerce market," said InternetRetailing editor-in-chief Ian Jindal. "These are the companies that the industry will watch in order to learn what works in 21st-century retail."

[3] published 5 Feb 2016

There is much evidence of Amazon UK diversifying as a retailer and considering alternative markets with a view to expanding their overall retail offering. Amazon has been selling groceries in the UK for some time. It launched the Grocery Store section of its main website in 2010 which sells about 200,000 household essentials, from air freshener to coffee and biscuits, through its usual website in the UK.

Further to this, it recently launched Amazon Pantry in November 2015, which offers a range of 4,000 grocery and household products, from big brands. The company charges £2.99 for the delivery of one large box of goods to people signed up to its Prime subscription service. The service is seen as a first step towards Amazon upgrading its delivery service in the UK to fresh food, which would provide a more direct challenge to UK supermarkets, and Ocado.

Amazon has recruited the former head of Marks & Spencer's (M&S) womenswear business, Frances Russell, as it targets the clothing industry in the next phase of its global expansion. Ms Russell is to take a senior role in Amazon's fashion business, the plans for which are said to include a major own-label product line[4].

Amazon and Modern Apprentices

Please see the table below for the number of MAs employed by Amazon as at end of January 2016. The age of participants ranges between 16-24, and current achievement rates for those who complete their training are in excess of 90%.

Programme	MA Framework	VQ Level	VQ Title	Starts
MA16-19 L3	Freight Logistics	3	Logistics Operations Management	29
MA20-24 L3	Freight Logistics	3	Logistics Operations Management	84
Grand Total				**113**

There have been 2 Employability Fund starts with Amazon to date in this financial year.

[4] Source: Sky News dated 17 Feb 2016

ANNEX E

FAIR WORK/FAIR WORK CONVENTION

We have taken action to promote fair working practices through procurement

- The Procurement Reform (Scotland) Act 2014 took every opportunity to tackle LW through procurement.
- Employment law is a reserved matter and the European Commission has confirmed that any requirement on contractors, as part of a public procurement process or public contract, to pay their employees a living wage set at a higher rate than the UK's National Minimum Wage, is unlikely to be compatible with EU law.
- Statutory guidance, addressing Fair Work Practices, including the Living Wage in public contracts which was published on 6 October, goes further than any other administration.
- It requires public bodies to consider before undertaking any procurement exercise whether it can include a question on fair work practices, including the Living Wage as part of the competition.

"National Living Wage" is not a Living Wage, only an enhanced National Minimum Wage

- We have long supported payment of the 'real' Living Wage (currently £8.25) and this rise is below that.
- The Living Wage is calculated according to the basic cost of living and therefore takes account of the adequacy of household incomes for achieving an acceptable minimum living standard.
- A higher wage for over-25s will benefit some low-paid workers, but we have concerns about the UKG's approach to pay, because it is not—as January's Resolution Foundation report makes clear—a real Living Wage. Differential pay for young workers is not acceptable and our longer term aspiration would be that the Living Wage becomes the norm across the board.

We introduced the requirement to pay the Living Wage as an integral part of our public sector pay policy in 2011-12 at a cost of around £0.75m.

- Since 2011-12, we have invested over £1.5 million per year in the Living Wage rate across the parts of the public sector where SG controls the pay bill – directly benefitting around 3,000 workers.
- SG continues to require all employees covered by our Public Sector Pay Policy to be paid the Living Wage and in 2015 SG itself became an Accredited Living Wage Employer.

We will take whatever action we can to eradicate unfair working practices

- SG does not directly employ people on zero hours contracts (ZHC).

The Fair Work Convention was established by the Scottish Government in April 2015, this was a key recommendation of the Working Together Review published in August 2014.

- The purpose of the Convention is to provide independent advice to SG on matters relating to innovative and productive workplaces, industrial relations, fair work and the Living Wage in Scotland.
- The FWC have consulted widely with approximately 200 stakeholders from across Scotland.
- The Convention over its first year is to drive forward the Fair Work agenda by producing a Fair Work Framework by the end of March 2016. This Framework will:
    - Articulate a practical blueprint for Fair Work which promotes a new type of dialogue between employers, employees and trade unions, public bodies and the Scottish Government.
    - Support the Scottish Government's objectives of increasing sustainable economic growth and reducing inequality through the promotion of greater diversity, innovation and equality in the workplace.
    - Understand business challenges in adopting Fair Work principles and offer help to support a progressive change.

The Convention has identified 5 main dimensions it will take into consideration in the development of the Fair Work Framework. These dimensions are Opportunity, Fulfillment, Security, Respect and Effective Voice. In addition to the above dimensions 2 cross cutting dimensions have been identified, these are equality and well-being.

ANNEX F

SCOTTISH BUSINESS PLEDGE

The Business Pledge is a shared mission between Government and business, with the goal of boosting productivity, competitiveness, employment, fair work and workforce engagement and development.

By making their Pledge companies demonstrate their commitment to these values and to deliver them through their actions and future plans.

The Pledge involves nine individual strands of business improvement activity which many companies across Scotland have already adopted because they deliver substantive business benefits and inclusive growth:

Foster continuous business improvement

- An innovation programme that is relevant to and designed to boost growth. That could relate to business strategy, investment, (in R&D or advanced equipment) or innovative services.

Succeed in new markets

- Pursue international business opportunities, whether that is for the first time or a completely new international market or some form of partnership or investment.

Attract and retain the workforce your business needs to keep growing

- Paying the Living Wage to all relevant employees is at the core of the Pledge.
- Not employing people on exploitative zero hours contracts (or comparable very low core hours) or ensuring that any zero hours contracts are fair and appropriate.
- Working towards diversity in the workforce and boardroom for today and tomorrow – We are keen to support all routes to diversity and gender balance – including working towards gender balanced boards by 2020 and increasing diversity in all levels of the business talent pipeline.
- Invest in Youth, by employing young people and building stronger partnerships with education.
- Workforce engagement and development, and other progressive workplace policies. These may include, for example, a 'people plan directly linked to achieving business objectives, employee engagement systems, including working closely with trade unions, or systems which support the health and well-being of employees, or foster a family-friendly workplace.

Supporting your community

- Play an active role in the community. These may include, for example, a formal community engagement policy, support for volunteering or specific local charities, or being active in environmental protection.
- Prompt payment - support for small business by paying all invoices within 30-60 days.

To make a Business Pledge, a business has to be paying the living wage to all direct employees over the age of 18, already delivering on at least two other elements described above and committed to achieving the rest over time. The Pledge is voluntary.

In recognition of the benefits to staff, business and the wider economy, we will continue to encourage organisations in the public, third and private sectors to seek formal accreditation as a Living Wage Employer and sign up to 'Partnership for Change' which includes a voluntary commitment to work towards gender balance of boards by 2020.

www.scottishbusinesspledge.scot went live on 26th May, enabling companies to make a Pledge. There are currently **227** Pledge companies listed on the website

ANNEX G

FAIR WORK AND PROCUREMENT

- Employment law is a reserved matter; however as procurement legislation is devolved, procurement legislation and practice continues to be seen as a route to promote the Living Wage in Scotland.
- Public bodies cannot make the award of a public contract conditional on the contractor paying staff the Living Wage – as confirmed by the European Commission (May 2014)
- Public bodies can encourage the payment of the Living Wage through procurement processes
- Statutory Guidance Addressing Fair Work Practices, including the Living Wage, in Procurement (launched 6 Oct 2015) requires contracting authorities from 1 Nov 2015, to consider, how they can address fair work practices as part of a procurement exercise along with other relevant criteria

The Government is working within EU law to tackle the issue of payment of the Living Wage as part of public procurement processes.

- Employment law is a reserved matter, but the Procurement Reform (Scotland) Act 2014 took every opportunity to tackle Living Wage through procurement.
- The Act provides for Scottish Ministers to
- develop statutory guidance on how workforce related matters, including payment of a living wage, may be considered as part of a public procurement tendering process, where such matters will affect the quality of service that the bidder may provide, and
- requires public bodies' Procurement Strategy documents to include a statement of their general policy on payment of a living wage to people involved in delivering public contracts.

Statutory guidance requires public bodies to consider how to address Fair Work Practices, including the Living Wage in public contracts

- This guidance (published 6 Oct 2015) makes is clear that:
  - a positive approach to fair work practices can have an impact on the quality of services, goods and works.
  - the Scottish Government considers that the payment of the Living Wage is a significant indicator of an employer's commitment to fair work practices
- As of 1 Nov 2015, public bodies must now consider, before undertaking a procurement exercise, whether it can include a question on fair work practices, including the Living Wage as part of the competition.

We cannot make payment of the Living Wage a mandatory contract requirement

- It is clear that any requirement on contractors, as part of a public procurement process or public contract, to pay their employees a living wage set at a higher rate than the UK's National Minimum Wage is unlikely to be compatible with EU law.
- The European Commission has twice confirmed this position in correspondence with Scottish Ministers (May 2012 and again in May 2014).
- There have been a number of rulings by the Court of Justice of the European Union which support our position.

ANNEX H

WOMEN IN WORK

Top Lines

- Scotland's Economic Strategy (SES), published in March 2015, sets out an over-arching framework for how the Scottish Government aims to achieve a more productive, cohesive and fairer Scotland. SES recognises that maximising economic opportunities for women to participate fully in the economy, and the wider social role they provide, is key to improving economic performance and tackling inequality.
- We are currently addressing the pay gap; equal leadership on boards; underemployment of women, and actions to increase numbers of women in areas such as STEM where they remain under-represented.

Current Position

- Female employment rate is 71.8% in Scotland, above the UK rate of 69.1%[5] *(stats next updated 16th March 2016)*
- The female employment level in Scotland decreased by 19,000 over the year to 1,282,000
- Scotland has a lower female inactivity rate (24.3% vs 27.2%) than the UK as a whole.
- The gender pay gap for full-time employees in Scotland has decreased from 9.1% in 2014 to 7.3% in 2015 and in the UK it has decreased from 9.6% to 9.4%.
- Despite impressive figures, it is clear that many inequalities still exist:
    - Women are more likely to be in low paid work than men, and are also more likely to be underemployed both in terms of hours worked and skills levels.
    - We know that women are more likely to take jobs that fit around their caring responsibilities and opting for part-time work to ensure flexibility.

Increasing childcare will improve outcomes for children, and support more women in work.

- All 3 and 4 year olds, and the most disadvantaged 2 year olds (15% from Aug 14 increasing to 27% from Aug 15), are now entitled to 600 hours of early learning and childcare.
- FM has pledged in the PfG to start planning for an increase in childcare provision, from 600 to 1140 hours a year, by the end of the next parliament.

We are committed to working with employers to explore ways of promoting and supporting flexible working

- Increasing flexibility will reduce barriers to work for women, especially those returning to the workplace after having children.
- SG awarded £250,000 funding for 2015-16 to the Family Friendly Working Scotland Partnership to enhance the delivery of activity in this area.

We are committed to tackling all forms of gender inequality, including occupational segregation and the pay gap.

- 50/50 by 2020 – we are actively promoting fair representation in the boardroom and leadership positions. This is with the expectation that this will bring pay equality as more women reach the highest levels within their chosen careers.
- SG is funding Equate Scotland (£200,666 between 2015-16) to support the recruitment, retention, return and success of women where they are significantly under-represented
- SG is funding Close the Gap (£205,000 between 2015 and 2016) to change employment practices and workplace cultures to support gender equality and tackle the pay gap.
- We are currently funding the STUC to undertake research on the barriers that are faced by women in the workplace in order to identify successful in-work interventions and develop new responses.
- We took action via the Equality Act 2010, introducing Scottish-specific duties requiring in law that listed public authorities gather employee diversity information and use it to inform employment practices, and those authorities which have at least 150 employees are required to publish their gender pay gap every 2 years and an equal pay statement every 4 years.
- In the 2015 PfG we have committed to lower the reporting threshold to public authorities with over 20 employees. The Scottish Government's Gender Pay Gap information was published on 30 April 2015

[5] Source: Labour Force Survey, September-November 2015, ONS,

ANNEX I

DISABLED WORKERS

Top Lines

- The SG's ambition is that all people with disabilities who want to work get the opportunity to find fulfilling jobs, suitable to their skills.
- We know that only 0.41% of MA starts in 2014/15 declared a disability and even though this could be due to issues with self-declaratión we are aware that we need to do more to tackle under-representation on the MA programme and are doing this through our work on Developing Scotland's Young Workforce (DYW).
- The MA Equalities Action Plan, published by SDS on 2 December includes specific improvement targets for MA participation by people with disabilities and aims to increase the employment rate for young disabled people to the population average by 2021. Planned actions include: building networks to join up support; building the capacity of training providers; and engaging and targeting specific industry groups.
- We support disabled workers in our development and promotion of the supported employment framework and are working closely with partners, including local authorities in order to support them to develop and deliver this model locally, including a grant of £17K to City of Edinburgh Council (CEC) to assist best practice.
- In partnership with SQA we have developed a qualification for supported employment workers to help raise standards and ensure consistency and are now working with Scottish Union of Supported Employment (SUSE) and other partners to offer the qualification to more supported employment workers across Scotland.

The Employability Fund (EF) will support 11,650 training places in 2016-17

- EF will continue in 2016-17, supporting 11,650 training places and remaining a key element of our efforts to boost employment levels in Scotland.
- This quarter, 11.7% of EF starts declared a disability and 3.3% reported being from a Minority Ethnic background.

Scotland's Employer Recruitment Incentive (SERI) will resume in April

- SERI will resume in April, following a brief pause, with a sharper focus on the job prospects of young people who face the biggest barriers to employment, including those with disabilities.
- To date the scheme has supported over 1,100 young people into a sustainable job.

Disability Employment Rates

- The disability employment rate is 43.7%, compared to 81.1% of non-disabled people who are in employment[6].

Employment support provision – Overview

There is a range of employment support provision available to all people by local, Scottish and UK Government sources. Our national skills agency, Skills Development Scotland offers all age careers advice and delivers national training programmes for unemployed people.

Local employability partnerships are available in all 32 local authority areas in Scotland and offer support and information for local residents on employment, training and education. For more information on support in your local area please visit www.employabilityinscotland.com/policy-and-partnership/local-employability-information

Nationally as well as locally Third Sector Providers also provide support for those who have disabilities, including Enable Scotland, Capability Scotland, Momentum Skills, Shaw Trust, The Princes Trust.

[6] Source: Labour Force Survey, Jul-Sep 2015 datasets, 16-64 year olds, not seasonally adjusted, ONS.

ANNEX J

OLDER PEOPLE IN EMPLOYMENT

Top Line

- The Scottish Government's position is that our older population makes a significant contribution to the workplace and is an integral part of our society. Not only are we committed to enabling older workers to remain in employment for as long as they wish to, but the contribution of older workers could matter more to Scotland's economic growth potential in the future as the proportion of the population that is working age declines.

SG aim to be an exemplar and support and develop all staff including older women who wish to remain and develop in the Scottish Government.

- The SG's own Gender Pay Gap information was published on 30 April 2015.
- A Carers network is in place for staff with caring responsibilities and a network in place for those on alternative working pattern or considering how to manage an alternative working pattern. Headed up by a Champion at SCS leave.
- Carers leave policy in place for those with caring responsibilities to deal with planned appointments meetings etc., in addition to special leave to deal with emergencies. Wide definition of carer within HR policies extending to neighbours.
- SG have been awarded Carers Kitemark end 2015[7].
- SG does not directly employ people on zero hours contracts. We condemn the inappropriate use of zero-hours contracts. Unfair work practices like this are unacceptable and they undermine our ambitions to grow our economy and tackle inequalities in our society.

Key Policy Developments

- The Scottish Government recently undertook two studies looking at older people in relation to the labour market which are at various stages of development.
- Strategy Unit has carried out an analytical review of older worker participation in the Scottish labour market (those aged 50-65 years). This identified that;
    - caring responsibilities are a key barrier to employment, particularly among older women.
    - The 50-64 age category account for 41% of all the economically inactive people in Scotland.
- Communities Analytical Services carried out a study on pensioners who are in work. This explored the reasons why many more pensioners are working beyond state pension age and why the 65+ employment rate is growing so strongly.

The Scottish Commission on Older Women report, published in August 2015, had several recommendations for government.

- The Minister for Youth and Women's Employment, Annabelle Ewing, recently met with members of the Scottish Commission on Older Women (SCOW) to discuss barriers facing older women in the workplace and these recommendations.
- The report highlighted the lack of tailored support for older women seeking to return to the workplace - DWP through its Work Programmes and Job Centre Plus, fail to provide this support for older women seeking to return to the workplace.

We know that caring responsibilities are a key barrier to employment, particularly among older women and we have taken a range of steps to better support both adult and young carers on a more consistent basis.

- The Scottish Government is leading on the integration of health and social care. We passed legislation, which commanded wide cross party support, which sets out the framework for councils and NHS Boards to deliver integrated health and social care services, with flexibility to allow them to develop integrated services that are best suited to local circumstances.
- We have introduced the Carers (Scotland) Bill to ensure better and more consistent support for carers and young carers so that they can continue to care, if they so wish, in better health and to have a life alongside caring.

[7] http://news.scotland.gov.uk/News/Carers-Kitemark-d8a.aspx

- Carer Positive scheme, an SG initiative specifically targeted at Carers. The Carer Positive award is presented to employers in Scotland who recognise the importance of retaining experienced members of staff, reducing absence, and cutting down on avoidable recruitment costs.

ANNEX K

YOUTH EMPLOYMENT

Issue: The latest Labour Market Statistics for the Oct-Dec 2015 show that the youth unemployment rate for Scotland (14.6%) is higher than the UK rate (13.6%). Over the year, youth unemployment in Scotland increased by 0.1 percentage points while the UK decreased by 2.6 percentage points.

Scotland outperforms the UK on youth employment and youth inactivity

- In comparison with UK, we have a higher youth employment rate (61.1% v 54.9%) and lower youth inactivity rate (28.5% v 36.5%).
- A higher female youth employment rate (61.4% v 54.3%) and lower female youth inactivity rate (29.1% v 38.1%).

Youth employment level and rate are at their highest Oct-Dec figures since 2006; youth inactivity level and rate fell to their lowest Oct-Dec figures since 2006

- The Scottish youth employment rate is up by 4.0 percentage points over the year (UK rate is up by 2.2 percentage points). In Scotland, youth employment increased by 19,000 over the last year to 368,000 (October to December 2015).

We're implementing the recommendations of the Commission for Developing Scotland's Young Workforce (DYW) through our Youth Employment Strategy to reduce youth unemployment by 40% by 2021

- We published our first annual report on DYW implementation on 9 December.
- Covers year one of a seven year programme and shows positive progress with the introduction of careers advice earlier in school, improved connections between business and schools/colleges through new employer led regional DYW groups, and hundreds of new opportunities for school pupils to undertake learning – for example new Foundation Apprenticeships – while still at school.
- Programme has 11 KPIs including targets to: reduce gender imbalance in subject groups of college courses where there is underrepresentation of young women or men; improve participation of under-represented groups in the MA programme; improve positive destinations for looked after children.
- Making positive progress towards our headline target to reduce youth unemployment by 40% by 2021. Over a twelve month period, youth unemployment fell by 10,000 from the strategy's baseline figure of 52,000 in January to March 2014, Moving in the right direction on the majority of these indicators.
- Committed £12m in 2014/15 and £16.6m in 2015/16 to fund early implementation, supporting earlier careers advice, expanding MAs and including £12.3m over the two years for local government.
- We are investing up to £7.4m for third sector employers to create up to 1,100 job training opportunities in 2015/16, as part of the current phase of Community Jobs Scotland. Announced up to £6.1m for Phase 6 in 2016/17 to support 700 CJS jobs lasting up to 12 months for vulnerable 16-29 year olds, including care leavers, young people with criminal convictions and those with a disability, .
- Scotland's Employer Recruitment Incentive (SERI) will resume in April, following a brief pause, with a sharper focus on the job prospects of young people who face the biggest barriers to employment, including those with disabilities. Since July 2015, SERI has supported over 1,100 young people into a sustainable job.

We have exceeded our target to deliver over 25,000 Modern Apprenticeships each year with over 101,000 new opportunities delivered in this parliamentary term.

- Delivered 25,247 Modern Apprenticeship starts in 2014/15
- In total since we came into office in 2007 more than 180,000 MA starts have been delivered.
- In 2014-15 the majority of starts 13,247 (52%) were aged 16-19 – 20,124 (80%) were aged 16-24.
- 16,112 (64%) of starts were at Level 3 or above.

Positive school leaver destinations both initial and sustained, are at an all-time high

- The percentage of 2013/14 school leavers in a sustained positive destination, at March 2015 was 91.7%, a rise of 1.3 percentage points on 2012/13 (90.4%). (Source: Scottish Government, June 2015)
- The percentage of 2014/15 school leavers in an initial positive destination as at October 2015 was 92.9%, a rise of 0.6 percentage points on 2013/14 (92.3%). (Source: Skills Development Scotland, December 2015)

Number of young people not in education, employment or training is at its lowest level since 2004

- In 2014, 21,000 (8.4%) of 16-19 year olds were NEET, the lowest level seen since comparable records began in 2004. The level of NEET has decreased by 8,000 (2.8 percentage points) over the year, driven by a decrease in the number of males.

ANNEX L

MODERN APPRENTICES

SDS Publication *Modern Apprentices and Employability Fund* (09/02) – as of 25 Dec 2015 (Q3) there had been 19,213 starts, equating to 75% of the higher annual target – at the same point last year SDS had delivered 78% of their annual target (a 3% reduction). The actual percentage fall in starts compared to this point last year is **1.6%(304 starts)**

The UK Government will introduce the Apprenticeship Levy in Apr 2017 set at a rate of 0.5% of an employer's pay-bill and paid on any pay-bill in excess of £3 million. HMT suggest that only 2% of UK employers will be eligible to pay. Scotland will receive their share of the levy. A conservative estimate of the amount the levy would raise in Scotland is £165m.

Carolyn Fairbairn, director-general of the CBI recognised that *"many business are reaching a tipping point where the cumulative burden of the living wage, apprenticeship levy and business rates risk hurting competitiveness"*

TOP LINES

- **SG 2016/17 Budget will support the continued expansion of Modern Apprenticeships**
- **We are on course to deliver our target of 25,500 Modern Apprenticeships for 2015-16.**
- While quarterly stats provide a useful indicator of performance throughout the year **some fluctuation is expected due to differing employer recruitment patterns.**
- The **apprenticeship levy is an employment tax** which was announced in the UK Autumn budget after the Smith Commission process to take forward the devolution commitments on further powers for the Scottish Parliament. The collection of the levy is a reserved matter and Scottish Ministers are working to ensure that Scotland gets its fair share of the levy. We are in discussions with the UK Government to ensure that the introduction of the levy is designed in a way that works for our ambitions for expanding and enhancing Modern Apprenticeships in Scotland.
- **We are supportive of the general principle that employers should contribute to the cost of training and developing their workforce** and are currently engaging with a range of employers to discuss options for moving forward following the introduction of the apprenticeship levy in 2017.

Background

We are on course to meet this year's target during the first year in the expansion of the MA programme as we move towards our commitment to fund 30,000 starts by 2020.

- Since the introduction of the 25,000 target in 2011-12, **SDS has exceeded the required number of starts each year,** even during the economic downturn, and the current contract levels highlight that they are on track to meet the expanded number of starts again this year.
- **We have delivered over 120,000** new opportunities in this parliamentary term.
- Figures from Q3 2015/16 show that at 80%, the majority of the starts were young people and 66% were at level 3 and above. The current **achievement rate is 77%** compared to 72% for the same period last year.
- Progress is being made following the **publication of the MA Equality Action Plan** - with **some improvement in the proportion of starts from people reporting a disability** – 3 percentage points up on the same point last year – and a slight improvement in those who reported being from a minority ethnic group, up 0.2 percentage points to 1.5%
- The number of **female starts is 38% - equal to the same point last year.** The implementation of the MA Equality Action Plan published in December should continue the improvements seen in recent years.

There were 25,247 MA starts in 2014/15

- **52%** starts (13,247) were aged 16-19 – **64%** of starts (16,112) were at **Level 3 or above**.
- Overall achievement rate was **74% up 9 percentage points from the achievement rate in 2006-07**.
- 10,169 **(40%)** starts were **female** and 15,078 (60%) were male. This is up compared to 2,857 female starts (27%) in 2008-09. Also a greater number of women have started, **the higher SVQ level 3 frameworks.**

SDS MA employer survey (April 2015) - analysis of a telephone survey of 2,505 employers - 89 % of employers would recommend MA's, up from 82% in 2012 survey

- 84 % of employers were satisfied with the **relevance** of the training and the **quality** of the training.
- 96 % of employers reported that **completers were better able to do their job** as a result of the MA.
- 89% of employers plan to continue with MAs, up from 83 per cent in 2012.

ANNEX M

TAX AVOIDANCE AND CORPORATION TAX

The Scottish Government's approach to the devolved taxes demonstrates that we are serious about tackling tax avoidance in Scotland.

- We have taken a simple, clear but robust approach to tackling artificial tax avoidance.
- The **Scottish General Anti-Avoidance Rule (GAAR)** was established by the Revenue Scotland and Tax Powers Act (RSTPA). This will allow Revenue Scotland to take counteraction against tax avoidance arrangements which are considered to be artificial, even if they otherwise operate within the letter of the law.
- The Scottish GAAR **is significantly wider than the corresponding UK GAAR** as set out in the Finance Act 2013, which is based on a narrower test of 'abuse' rather than 'artificiality'.
- A number of **Targeted Anti-Avoidance Rules (TAARs)** have also been included in the legislation already passed on devolved taxes, to reduce the scope for avoidance activity.

The Scottish Government is determined to act decisively on tax avoidance where we have powers to do so.

- Under the current powers – including the Calman Income Tax powers – we have no powers to tackle Income Tax avoidance. That falls to the UK Government and HMRC.
- Even after Smith is implemented, because Income Tax will be shared we will still not have powers to tackle avoidance. It will remain with the UK Government and HMRC.
- The UK tax system is complex and inefficient. Unnecessary complexity, through exemptions, reliefs, deductions and allowances, creates opportunities for tax avoidance. HMRC attributed an £7.1 billion tax gap to evasion and avoidance in 2013/14 (out of a total tax gap of £34b).

Isobel d'Inverno, Convener of the Tax Law Sub-Committee of the Law Society of Scotland and Director of Corporate Tax at Brodies (quoted in the Sunday Herald, 17 February 2015):
"The general anti-avoidance rule that we have got in the Scottish legislation is much fiercer than the UK one. It's a very much firmer 'Keep off the grass' sign than the UK one is. Revenue Scotland also appears very determined to collect all the tax that is due. There's a whole series of different things that suggests they're going to have a far more pro-active approach to stopping tax avoidance."

Michael Clancy, Director of Law Reform, Law Society of Scotland, giving evidence to the Economy, Energy and Tourism Committee, 19 March 2014
"In the evidence that we are giving on the Revenue Scotland and Tax Powers Bill, we are looking at its provisions on the Scottish general anti-avoidance rule. We have compared those provisions with the current general anti-abuse provisions in the Finance Act 2013 and we think that the Scottish GAAR provisions are much better. They are less complex and should prove to be more effective."

We set out our position on Corporation Tax in Scotland's Economic Strategy - March 2015

- Greater responsibility for business taxes would help us to **support the rebalancing and reindustrialisation of the Scottish economy**.
- We have **no intention to engage in a 'race to the bottom'**.
- We would use powers over Corporation Tax to **create a long-term competitive advantage by using targeted changes in tax allowances** to encourage higher levels of investment in capital or in R&D and to encourage the growth of SMEs.

The Smith Commission failed to deliver a package of job-creating powers – we have set out detailed proposals to address this.

- In contrast, the Scottish Government's proposals to devolve business taxation (June 2015) would provide the Scottish Parliament with an integrated and coherent set of tax powers covering all aspects of business activity. This is what the Scottish Parliament requires to create jobs and tackle inequality.

ANNEX N

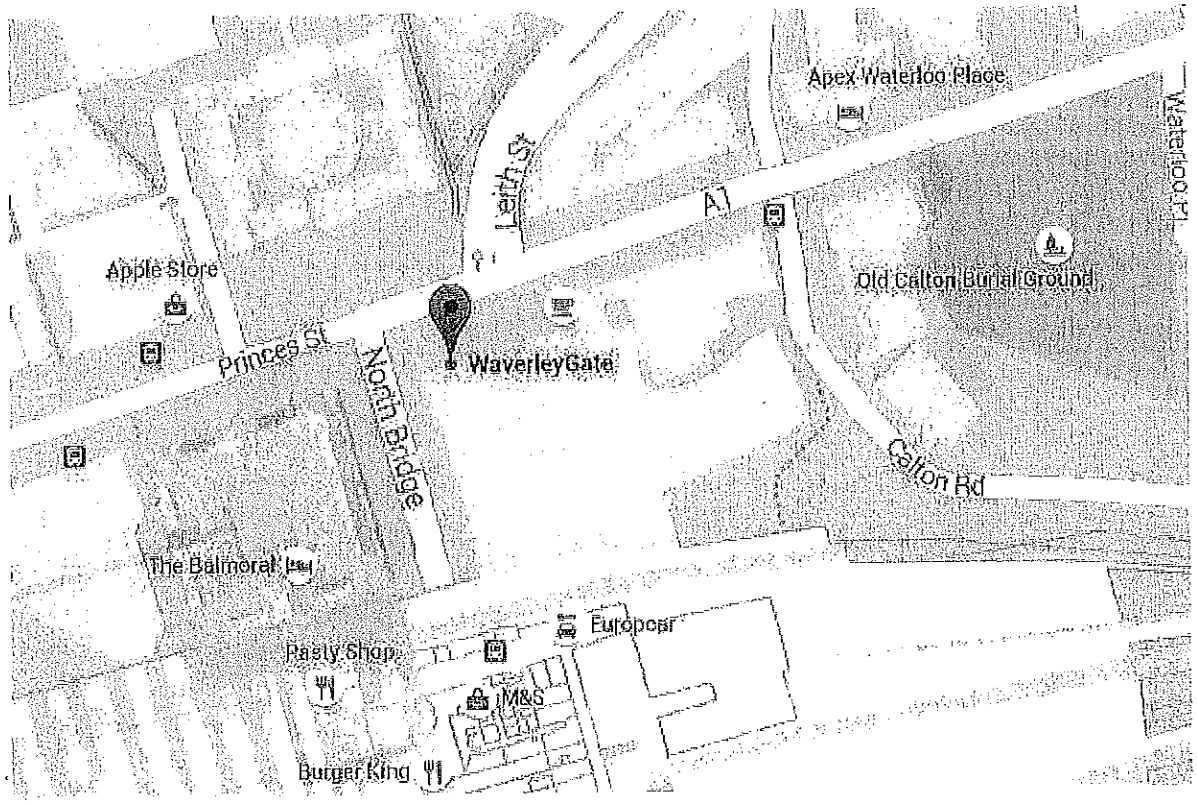
RETAIL SECTOR IN SCOTLAND

The Scottish Government recognises the need for a vibrant and diverse retail industry in Scotland and the contribution that this sector makes to Scotland's economy.

Key Messages

- Retail is a very significant part of Scotland's economy. Its health is a visible barometer of the economic climate.
- In supporting the retail sector we have to consider whether intervention serves to distort competition or trade.
- In general, support should not serve to displace other businesses operating in the sector.
- Support for retail businesses is generally viewed as causing displacement and, in many cases, is therefore ineligible for business support. However, support is available through a range of relief measures including the Small Business Bonus Scheme. The Small Business Bonus Scheme and other reliefs provide zero or reduced business rates in Scotland.
- We remain focused on maintaining Scotland's position as the most competitive environment for business and with the most competitive business rates regime in the UK.
- It is reported that sales made by internet companies without physical stores, such as Amazon and Asos, will surpass online sales of store-based UK retailers for the first time this year. So-called "etailers" are expected to generate £21.8 billion-worth of sales in 2015, an increase of 18 percent from last year, while traditional stores should grow their online sales by 11 percent to £21.5 billion, according to a report from market research firm Mintel. Overall, online retail sales are on track to hit £43.3 billion this year, accounting for 12.7 percent of total expenditure. Mintel estimated that by 2020 almost a fifth of shopping will be done on the internet. (Source: the Telegraph dated 31 Jul 2015)

ANNEX O

ADDRESS AND MAP

Address: Waverley Gate, 2-4 Waterloo Place, Edinburgh EH1 3EG
Parking: A parking space can be made available. Access to the garage is from Calton Road beside the stairs to Waverley Station. Please buzz for access and indicate that you are visiting Amazon Customer Services. Car park space 7 will be available for the Ministerial car.
Map: