

CABINET SECRETARY FOR ECONOMY, JOBS AND FAIR WORK

What	MEETING WITH LESLEY SMITH, DIRECTOR OF PUBLIC POLICY, AMAZON
Where	Cabinet Secretary for Economy, Jobs and Fair Work room , Scottish Parliament
When	16:00 Wednesday 20 June 2018
Key Message(s)	Fair Work is work that offers Respect, Opportunity, Security, Effective Voice and Fulfilment;
Who	Lesley Smith, Director Public Policy, UK and Ireland, and [REDACTED] Amazon
Why	To provide Amazon with information on what action SG is taking in relation to Fair Work; Receive update on action being taken by Amazon in relation to Fair Work since meeting on 19 September 2017.
Supporting official	[REDACTED] Fair Work and Skills - [REDACTED]
Briefing contents	<p>Annex A: Summary / Agenda</p> <p>Annex B: Biographies & Ministerial Engagement</p> <p>Annex C: Amazon and Fair Work</p> <p>Annex D: Note of Meeting with Amazon, 19 September 2017</p> <p>Annex E: Note of Amazon and Veterans meeting, 2 May 2018</p> <p>Annex F: Fair Work</p> <p>Annex G: The Living Wage and living wage in procurement</p> <p>Annex H: Inclusive Growth</p> <p>Annex I : Scottish Business Pledge</p> <p>Annex J: Modern Apprenticeships and Equalities Action Plan</p> <p>Annex K: Gender and STEM</p> <p>Annex L: Gender pay gap: how big tech companies in the UK compare plus Gender Pay gap FMQ</p> <p>Annex M: Disability Employment and Equality</p> <p>Annex N: Workplace Equality Fund</p> <p>Annex O: Family Friendly and Flexible Working</p> <p>Annex P: Employment Tribunals</p> <p>Annex Q: Brexit and the Constitution</p> <p>Annex R: Business in the Community (BITC)</p> <p>Annex S: Labour Market Stats</p> <p>Annex T: Developing the Young Workforce: Scotland's Youth Employment Strategy</p>
Media Handling	
Social Media	
Greeting Party and specific meeting point on arrival	Private Office – Scottish Parliament
Specific entrance for Ministerial car/parking arrangements	N/A – Scottish Parliament

SUMMARY/ AGENDA

1. Agenda Item 1 - Fair Work Nation – Action being taken by the Scottish Government

You will wish to provide Amazon with an overview of the actions that the Scottish Government are taking to make Scotland a Fair Work nation.

Top Line:

- We share the Fair Work Convention's vision that, "*by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.*"

In 2015, we established the Fair Work Convention which set a vision that we fully endorse, for fair work to be embedded in all workplaces by 2025.

- We are working with the Fair Work Convention to promote fairer, flexible contracts that offer job security.
- The Convention's framework recognises Fair Work as work that:
 - offers **Respect, Opportunity, Security, Effective Voice** and **Fulfilment; and**
 - balances the rights and responsibilities of employers and workers and that can generate benefits for individuals, organisations and society.
- Growing body of evidence that countries with more equal societies enjoy stronger, more sustainable growth in the long run.
- Based on the principle that addressing inequalities and delivering growth are reinforcing – not competing objectives.
- Fair Work makes business sense: greater productivity, innovation, staff morale, less absence and turnover.

Scotland is ahead of the curve promoting fairer working practices and protecting workers rights:

- Initiatives such as the **Scottish Business Pledge**, encouraging the payment of at least the *real Living Wage*, and *supporting strong industrial relations*, are making a real difference to workers throughout the country.
- By making the Scottish Business Pledge, businesses demonstrates their commitment to Fair Work, employee engagement and boosting productivity.
- Almost 500 (498) employers have become Scottish Business Pledge signatories including **Coca Cola, Microsoft** and **Virgin Money**.
- Our statutory guidance on Addressing Fair Work Practices in Procurement re-enforces our belief that a stable contract is an important element of Fair Work.

We are ensuring Fair Work is at the core of what we do and are taking forward policies that are aligned with the 5 Dimensions.

- **Respect** involves recognising others as dignified human beings and recognising their standing and personal worth. Respect at work is a two-way process between employers and workers. Our policies include:
 - **Family Friendly Working Scotland;**

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- *Shared parental leave.*
- **Opportunity** is a crucial dimension of Fair Work. It is more than the chance to access work – it allows people to progress. Fair opportunity for all can produce a range of benefits for workers and employers. Our policies include:
 - *Workplace Equality Fund;*
 - *Race Equality Framework for Scotland;*
 - *A Fairer Scotland for Disabled People Delivery Plan;*
- **Security** of employment, work and income are important foundations of a successful life. Security plays an important role in behaviours and attitudes in workplaces and can generate key benefits for employers. Our policies include:
 - *Payment of the Living Wage;*
 - *Opposition to exploitative zero-hours contracts;*
 - *Working with Close the Gap to challenge Gender Pay Gap.*
- **Effective Voice** is where workers can say what they feel, are listened to and can make a difference.

It is much more than just having good communication channels in workplaces. It provides a safe environment for constructive dialogue, where workers' views are sought. Our policies include:

- *Trade Union Representation;*
 - *Opposition to Trade Union Act;*
 - *Financial support via STUC to limit impact of the Act;*
 - *Partnership working with the STUC.*
- **Fulfilment** - For many people, work is a fulfilling part of their life. Workers who are fulfilled in their jobs are more likely to be engaged, committed and healthy. Fulfilling work contributes to confidence and self-belief. Our policies include:
 - *Modern Apprenticeships*
 - *Scottish Union Learning*
 - *Individual Training Accounts*

2. Agenda Item 2: Update from Amazon on Fair Work

- You will wish to invite Amazon to update you on what progress they have made since you last spoke in September 2017.
- In particular, you should ask them to update you on actions they are undertaking which aligns with the Fair Work Framework's 5 dimensions.
- You will also wish to seek their agreement to engage at official level to identify what SG Fair Work initiatives/ programmes could have relevance to Amazon.

AMAZON AND THE LIVING WAGE

ISSUE: 31 May - Guardian article reports Amazon accused of treating UK warehouse staff like robots. A Freedom of Information request to ambulance services from the GMB union revealed 115 call-outs to Amazon's site in Rugeley, near Birmingham, including three relating to pregnancy or maternity problems and three for major trauma.

21 May - Times article claimed Amazon is failing to pay its Scottish workers the real living wage despite saying it would consider doing so more than a year ago. The Cabinet Secretary for Economy, Jobs and Fair Work wrote to Amazon on 23 May inviting them to meet with him to follow up discussions in September 2017.

20 May – Daily Record reports Amazon refuses to pay Scots real living wage despite receiving millions in state handouts. Also reports that staff were made to sign an EU working time directive opt-out form, allowing the company to insist on compulsory overtime, and reported an atmosphere of "oppressive discipline". The article also claims workers sometimes slept in tents outside the depot between long shifts.

21 Dec 2017: Daily Record reports that delivery drivers operating on behalf of Amazon from Bathgate depot are being subjected to unfair working practices. Report states 11 companies hire self-employed drivers on insecure contracts, no sick pay or paid leave, to carry out Amazon deliveries from Bathgate.

12 Dec 2017: Reports of unfair and potentially illegal working conditions of delivery drivers operating from Amazon's Sheffield depot. Reports include drivers working over the legal 11 hours a day, without toilet breaks, to meet targets.

19 Sept 2017: Cab Sec for Fair Work last met with Amazon's senior management team. This follows meeting on 19 Dec 2016 at which Mr Brown invited Amazon to become involved in the fair work agenda, to pay the real living wage and to consider trade union activity in the workplace.

11 Sept 2017: SG responded to an FOI for all correspondence between SG and Amazon over the last two years. The response was published online.

5 Apr 2017: Scottish Labour blogged that 'Amazon has raked in millions of taxpayers grants from the SNP'. The main criticism is the lack of obligation to pay the Living Wage as well as working conditions. Jackie Baillie MSP said: "*The SNP Government must now review the support it is giving Amazon. Securing good quality, well-paid jobs should be the best use of enterprise grants, not boosting the profit margins of global companies.*"

Amazon Background

- Amazon currently has around 2,200 employees in Scotland.
- Amazon has received a total of £5,329,046 in assistance from the SG and SE since 2005. This includes a Regional Selective Assistance (RSA) grant of £1.655 million to establish Amazon's facility in Gourock and RSA of £1.4 million to establish the Dunfermline fulfilment centre.
- From 2005-07, the Labour/Lib Dem administration awarded Amazon in Scotland approx £2,283,000 [included in the total of all grants since 2005].
- Since 2007 Amazon has received £3,046,046.
- Amazon offer a minimum of 20 hour per week contracts and do not use exploitative zero hours contracts.
- Amazon claims "fulfilment centre employees" would earn £8.35 after two years' service. (Daily Record – May 2018)
- Total Ambulance call outs at the Scottish Amazon sites since 2015: Gourock – 22 (19*); and Dunfermline – 98 (54*) (*taken to hospital).

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Top Lines

- Ministers acted swiftly in 2016 on reports that Amazon were not treating staff fairly.
- There have been several meetings with Amazon to address a number of workplace matters such as encouraging union representation and paying the real Living Wage.
- Dialogue continues with senior Amazon representatives and the Scottish Government to see what progress can be made.
- Grant support awarded to Amazon by Scottish Enterprise (SE) has helped create more than 1800 jobs in Scotland.
- All grants provided to the company by SE were paid based on satisfactory claims and supporting evidence.
- There have been no grants provided to Amazon since 2015, and at present we are not in receipt of any applications for financial support from them.

We encourage every employer to reward their staff fairly, and where possible to pay the real Living Wage.

- The Scottish Government welcomes new Living Wage Rate of £8.75 per hour and £10.20 for London as announced on 6 November 2017.
- The new 'real' Living Wage Rate of £8.75 per hour applies to newly accredited employers and all current Accredited Employers from 30 April 2018.
- There are now over 1200 living wage accredited employers in Scotland.
- We now have proportionately more than 5 times as many accredited LW employers in Scotland as in the rest of the UK.
- Scotland remains the best performing of all four UK countries with the highest proportion of employees paid the Living Wage or more (81.6%) ahead of England 78%, Wales 75.3% and NI 72.3% and the UK 78%.
- Research shows the Living Wage can enhance productivity, reduce absenteeism and improve staff morale.
- Scottish Labour previously opposed devolution of the minimum wage and trade union rights during the Smith Commission and passage of the Scotland Act 2016.

We support employers and workers to maximise the benefits of Fair Work

- In 2015, we established the Fair Work Convention. Their Framework (2016) sets a vision, which we fully endorse, for Fair Work to be embedded in all workplaces by 2025.
- The Framework recognises Fair Work as work which offers: Effective Voice, Opportunity, Security, Fulfilment and Respect.
- We have also placed Fair Work as an important component within the Enterprise & Skills Review and its implementation.
- By making the Scottish Business Pledge, businesses demonstrates their commitment to Fair Work, employee engagement and boosting productivity.
- 498 employers are signatories of the Scottish Business Pledge, including Coca Cola, Microsoft and Virgin Money and those in the food and drink and retail sectors. We want to build on progress through developing a Fair Work Action Plan for Scotland by the end of the 2018.
- The plan will detail the strategic adoption of the fair work dimensions across the Scottish Government.

We oppose exploitative zero hours contracts

- We firmly oppose exploitative zero hours contracts and other non-standard types of employment that offer workers little or no job security.
- For some workers, zero hours contracts offer the flexibility they want to pursue other aspects of their lives. Banning them entirely would remove that choice.
- The percentage of people on zero hours contracts (2.7%) remains below the UK, but has increased by 0.5 percentage points over the year.

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- Our statutory guidance on Addressing Fair Work Practices in Procurement re-enforces our belief that a stable contract is an important element of Fair Work.

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

- The Scottish General Anti-Avoidance Rule (GAAR) for the devolved taxes is significantly wider than the corresponding UK GAAR.
- We only have powers to tackle tax avoidance on Land and Buildings Transaction Tax (LBTT) and the Scottish Landfill Tax.
- Under the current powers – including the Calman Income Tax powers – we have no powers to tackle Income Tax avoidance. That falls to the UKG and HMRC.

Amazon and the Labour Party

"MSP Neil Findlay branded a hypocrite for flogging his book on Amazon after blasting the online giant an 'exploiter'", The Sun Online, 26 August 2017

- In August 2017, Douglas Chapman MP criticised Neil Findlay MP for condemning Amazon's practices while his book, 'Socialism and Hope', was being promoted on Amazon.
- Other Labour politicians selling books and branded products on Amazon: Harriet Harman, Gordon Brown, Allan Johnson, Ed Balls, Ken Livingstone, Dennis Skinner.

"Welsh Government funded Amazon in Wales uses recruitment company to hot-bunk Hungarian workers", UKIP Online, 23 November 2016

- Neil Hamilton, Leader of UKIP Wales confronted the Welsh First Minister Carwyn Jones over claims that Hungarian workers are being bused in to work at an Amazon distribution centre in Swansea.
- Welsh Government provided grants to Amazon in order to develop the facility. The grant is claimed by some sources to stand at £8.8m.

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ANNEX D

NOTE OF MEETING WITH AMAZON, 19 DECEMBER 2016

You visited Amazon's Dunfermline Fulfilment Centre on 19 December and met with Lesley Smith and the Management Team:

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)

████████████████████ Dunfermline Fulfilment Centre ██████████

██████████ HR Director ██████████

████████████████████ Hiring Manager ██████████

██████████ Senior PR Manager ██████████

████████████████████ Scottish Government ██████████

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Note of meeting

1. LS opened and outlined the importance of both being, and being seen to be, a good employer. ██████████ 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. ██████████ 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 Fulfillment Centre following a query from SAS. ██████████ described some of the systems in place to identify issues,

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secure feedback from staff and establish a dialogue with management which includes a connexions daily survey.

7. [REDACTED] 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 [REDACTED] 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.

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ANNEX E

VETERANS MEETING WITH AMAZON

Readout of meeting between Amazon AWS/CTP/SDS and DPU - 2 May 2018

On 2 May the Defence Policy Unit coordinated a meeting between Amazon AWS, CTP, SDS and the SG's Employability Policy Unit.

In attendance:

██████████ SG's Defence Policy Unit
██████████ SG's Defence Policy Unit
██████████ SG's Defence Policy Unit
██████████ CTP
██████████ SDS
██████████ Amazon, ██████████ UK & Ireland
██████████ Amazon Web Services
██████████ Weber Shandwick

By Telephone Link:

██████████ SG's Employability Policy Unit, ██████████ NEET Prevention and Intervention Policy
██████████ SG's Employability Policy Unit, ██████████

- The meeting focused on the Amazon AWS restart programme which is available worldwide. The restart programme was launched by Amazon Web Services UK – re:Start is a training and job placement programme to educate young adults as well as military veterans, reservists, and their spouses, on the latest software development and cloud computing technologies. AWS re:Start is designed to accommodate differing levels of experience – even those with no previous technical knowledge can sign up. Participants who join AWS re:Start will complete technical training classes, led by AWS certified instructors, and will complete work experience to gain on-the-job training.
- The training is undertaken at a site in Manchester.
- ██████████ coordinates the AWS re:Start initiative. ██████████ advised that the purpose of his attendance in Scotland was to explore the roll-out of re:Start for young people in rural areas. He had met with ██████████ SG's Rural Communities Policy Team that morning. He went on that Amazon AWS understand the leadership and management skills that veterans have gained during their military training and know how transferable they are into our fast paced high tech world.
- ██████████ explained that he is keen that when Amazon roll this out to Scotland that they have a focus on young people in rural areas.
- Amazon advised that they are having a stand at the CTP fair being held in Murrayfield Stadium, Edinburgh on 10 May and that they would get back in touch with DPU after that - having engaged further with CTP and veterans/Service leavers.

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Defence Policy Unit
June 2018

FAIR WORK

Top Lines

- Scotland is ahead of the curve promoting fairer working practices and protecting workers rights.
- In 2015, we established the Fair Work Convention which set a vision that we fully endorse, for fair work to be embedded in all workplaces by 2025.
- The Convention's framework recognises Fair Work as work that offers: Effective Voice, Opportunity, Security, Fulfillment and Respect.
- Fair Work is central to our Labour Market Strategy and the Enterprise & Skills Review and its implementation.
- By making the Scottish Business Pledge, businesses demonstrates their commitment to Fair Work, employee engagement and boosting productivity.
- 498 employers have become Pledge signatories including Coca Cola, Microsoft and Virgin Money.
- We want to build on progress through developing a Fair Work Action Plan for Scotland by the end of the 2018.
- The plan will detail the strategic adoption of the fair work dimensions across the Scottish Government.

The Scottish Government was the first government in the UK to become an Accredited Living Wage Employer.

- The new Living Wage Rate of £8.75 per hour applies to newly accredited employers and all current Accredited Employers from 30 April 2018.
- Research shows the Living Wage can enhance productivity, reduce absenteeism and improve staff morale.
- Scotland remains the best performing of all four UK countries with the highest proportion of employees paid the Living Wage or more (81.6%).
- Ahead of England 78.0%, Wales 75.3% and NI 72.3% and the UK 78.0%.
- There are now over 1200 living wage accredited employers in Scotland.

Zero Hours Contracts

- We firmly oppose exploitative zero hours contracts and other non-standard types of employment that offer workers little or no job security.
- For some workers, zero hours contracts offer the flexibility they want to pursue other aspects of their lives. Banning them entirely would remove that choice.
- The percentage of people on zero hours contracts in Scotland (2.7%) remains below the UK (2.8%), but has increased by 0.5 percentage points over the year.
- Our statutory guidance on Addressing Fair Work Practices in Procurement re-enforces our belief that a stable contract is an important element of Fair Work.

We condemn the use of exploitative business models

- We expect those who deliver public contracts to adopt ethical business practices.
- Employment law is reserved but we are using all powers at our disposal to encourage ethical business practice and drive inclusive economic growth.
- We will continue to press for the devolution of employment law so we can put in place policies based on the fair work principles we share with the STUC.

We are committed to supporting strong Trade Unions in Scotland

- We vehemently opposed the UKG Trade Union Bill which presents a direct threat to the fundamental rights of workers.

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- It also threatens Scotland's collaborative approach to industrial relations.
- We are working with the STUC to minimise the burden on the public sector of the UK Government's facility time reporting regulations.
- We are developing a Fair Work Charter with the STUC as a guide for employers and workers when unexpected circumstances occur, including severe weather.
- The Fair Work Charter will be finalised in preparation for the coming winter.
- In 2017/18 we are providing £2.2 million to the STUC to support trade unions learning and skills.
- We are also investing £250,000 to help embed fairer work practices in Scottish workplaces.
- We announced continued funding of £350,000 for the Trade Union Fair work Modernisation Fund and the STUC Leadership and Equality Fund on 22 March.

Where fair work isn't delivered employees should have fair access to justice.

- We will call for powers over employment that will protect the rights of workers and prevent barriers to justice being imposed by the UK Government.
- Further powers would provide even greater opportunities to build on existing work to address economic and labour market inequalities and to deliver the fair and inclusive Scotland that we all wish to see.
- The Smith Commission Agreement proposed that the administration of 22 reserved tribunals be devolved to the Scottish Parliament.
- However, the laws providing the underlying substantive rights and duties will remain reserved.
- We are keen to ensure that Scotland has a modern, efficient and effective tribunal system that meets the needs of Scottish people.
- We have been clear to the UKG that powers devolved for the reserved tribunals should be coherent and enable Scotland to reform the system
- We have set out that the devolved tribunal powers must allow Scotland to pursue innovative and distinctive approaches that meet Scottish needs.

██████████ - ext ██████████

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Fair Work and Skills Division
June 2018

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ANNEX G

THE LIVING WAGE AND LIVING WAGE IN PROCUREMENT

The Living Wage and Living Wage in Procurement

Top Lines

- Scotland remains the best performing of all four UK countries with the highest proportion of employees paid the Living Wage or more (81.6%).
- Ahead of England 78.0%, Wales 75.3% and NI 72.3% and the UK 78.0%.
- We now have proportionately more than 5 times as many accredited LW employers in Scotland as in the rest of the UK.
- There are now over 1200 living wage accredited employers in Scotland.
- The Scottish Government welcomes new Living Wage Rate of £8.75 per hour and £10.20 for London as announced on 6 November 2017.
- It applies to newly accredited employers from that date and all Accredited Employers from 30 April 2018.
- Research shows the Living Wage can enhance productivity, reduce absenteeism and improve staff morale.

Background

- At the SNP Conference on 12 March 2016, FM announced that there were 500 Scots-based Living Wage Accredited Employers. A further target of 1,000 to be achieved by autumn 2017 has been met.
- SG has long championed the payment of the Living Wage and the real benefits to our economy of treating people who work more fairly, and demonstrated its commitment to paying the Living Wage by becoming an Accredited Living Wage Employer, the first government in the UK to do so.
- On 23 March 2016 the (then) Cabinet Secretary for Fair Work, Skills and Training announced that the SG would increase funding to £300,000 to the Scottish Living Wage Accreditation Initiative (SLWAI); now called Living Wage Scotland. This increased again in 2017/18 (£336,636).
- Living Wage (LW) rates are announced annually by the Living Wage Foundation during Living Wage Week in early November (6 November 2017). Both LW rates are based on work on a Minimum Income Standard which establishes the minimum income needed for an acceptable living standard
- The UK rate is calculated by the Living Wage Foundation and London rate by the Greater London Authority. Existing Living Wage Employers have until April the following year to meet the new rate.

Living Wage

Group	Living Wage	
	By April 2017	By April 2018
UK (outside London)	£8.45	£8.75
London	£9.75	£10.20

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We are encouraging public bodies to promote the Living Wage in public contracts

- The Procurement Reform (Scotland) Act 2014 took every opportunity to tackle Living Wage 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.
- The Act requires public bodies' procurement strategies to include a statement of their general policy on the payment of the Living Wage to people involved in delivering public contracts. Public bodies must also report on this.
- Statutory Guidance Addressing Fair Work Practices, including the Living Wage, in Procurement (launched 6th Oct 2015) requires contracting authorities in procurement exercises which commenced from 1 Nov 2015 onwards, to consider, how they can address fair work practices as part of a procurement exercise along with other relevant criteria. This guidance makes it 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
- The Scottish Government can confirm that a recent trawl has shown that the 'real' Living Wage is paid to workers engaged in the delivery of 94% of Scottish Government contracts. Although pleasing, we will continue to strive towards 100%.
- Fair Work and procurement best practice guidance to support practical application of the Statutory Guidance is being developed collaboratively with a working group of representative public bodies and will be published in the future.

We have taken action to protect and grow our social care services

- We are providing the resources to enable local authorities to commission care services that pay care workers the full Living Wage of £8.45 per hour.
- This benefit up to 40,000 people, mainly women, doing some of the most valuable work in Scotland
- This recognises the real difference Living Wage can make to the lives of the people in Scotland. This is part of our approach to tackle issues of recruitment and retention in the sector
- In 2018-19 we will provide an additional £66 million to local government to support pressures facing local authorities – including the continued commitment to the delivery of the Living Wage for adult care workers and to cover the extension to sleepover hours during 2018/19.

We have committed to providing sufficient funding to enable payment of the Living Wage to all staff delivering the funded early learning and childcare entitlement in private and third sector nurseries by the end of this parliament

- Our Financial Review of Early Learning and Childcare in Scotland (September 2016) estimated that around 80% of practitioners and 50% of supervisors in partner settings (in the private and third sectors) are paid less than the Living Wage.
- It is estimated that up to 8,000 staff currently working in around 960 partner provider settings could benefit.
- In addition, the expanded workforce recruited as part of our commitment to almost double free ELC entitlement to 1140 hours by 2020, will benefit from higher starting rates of pay.

██████████ -- ext ██████████
Fair Work and Skills Division
June 2018

INCLUSIVE GROWTH

Top Line: Inclusive Growth is central to Scotland's Economic Strategy which aims to increase productivity and reduce inequality through fostering innovation, increasing investment and promoting internationalisation.

1. The Scottish Government defines **inclusive growth** as: "*Growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly*".
2. **Inequality can impact growth** in many ways, however, the OECD note one of the main ways is that income inequality undermines education opportunities for disadvantaged individuals, thereby lowering social mobility, hampering skills development and ultimately reducing their productivity and earning potential¹.
3. There is a deepening body of **international evidence** that supports our inclusive growth approach:
 - The OECD estimated that rising income inequality had reduced UK GDP p/c growth by 9 percentage points between 1990-2010. (Angel Gurría, OECD Secretary General, 2015²)
 - The IMF note that tackling inequality is not only a social imperative; it is critical for sustaining growth³.
 - The economist Tony Atkinson noted "*less inequality is associated with greater macroeconomic stability and more sustainable growth*"⁴.
4. Scotland **performs well** in a number of indicators used to measure inclusive growth:
 - The Scottish youth unemployment rate is currently 8.9% which is lower than the UK's rate (10.8%) and amongst the lowest in the EU.
 - Scotland's female employment rate is higher than the UK (71.4% v 71.3%), and its female unemployment rate is lower than the UK (3.7% v 4.1%).
 - Scotland is the best performing of all the four UK countries in terms of paying the real wage at 81.6%.
5. Despite this strong performance, there are still **opportunities for improvement**:
 - The Palma Ratio and Gini coefficient, two measures of income inequality, have risen in recent years.
 - And the equality act disabled employment rate in Scotland is 45.4% compared with 81.2% for those who are not equality act disabled.
6. This is why **The Scottish Government is working with partners** to address these inequalities and deliver inclusive growth across Scotland's people and places via:
 - The **Tackling Child Poverty Delivery Plan** which sets out the first steps towards achieving the Scottish Government's ambitions of ending child poverty.
 - Increasing **Modern Apprenticeship** opportunities to 30,000 p.a. by 2020.
 - Through the **Scottish Attainment Challenge**, by providing £750 million during the course of this parliament to tackle the poverty related attainment gap.
 - Working towards 1,140 hours per year of **funded high-quality early learning and childcare** by the end of this Parliament.

¹ <https://www.oecd.org/social/Focus-Inequality-and-Growth-2014.pdf>

² <http://www.oecd.org/unitedkingdom/making-inclusive-growth-happen-in-the-uk.htm>

³ <https://blogs.imf.org/2018/01/23/5-things-you-need-to-know-about-inequality/>

⁴ Atkinson (2015), *Inequality: What can be done?*

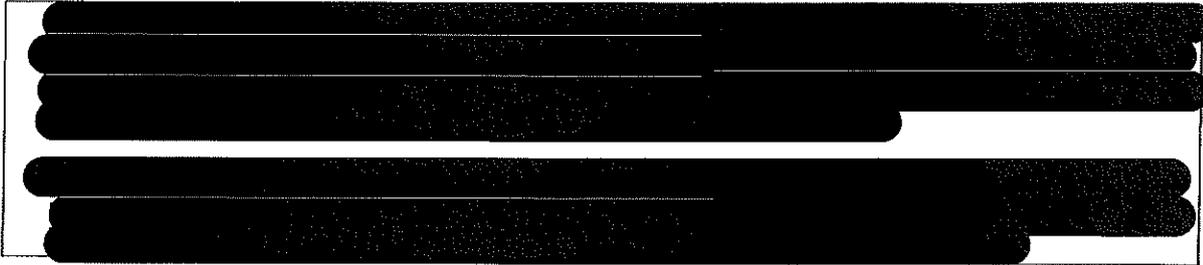
CABINET SECRETARY FOR ECONOMY, JOBS AND FAIR WORK

- Building on the findings of the **Enterprise and Skills Review** to ensure that public agencies are delivering the support that young people, universities, colleges and businesses need.
- It is due to initiatives such as these that **Professor Joseph Stiglitz** states: *"Tackling inequality is the foremost challenge that many governments face. Scotland's Economic Strategy leads the way in identifying the challenges and provides a strong vision for change."*

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OCEA: Economic Strategy & Inclusive Growth
June 2018

SCOTTISH BUSINESS PLEDGE

Scottish Business Pledge



Top Lines

- The Business Pledge is a shared mission between Government and business, with the goal of boosting productivity, competitiveness and inclusive growth through fair work practices, employee engagement and development.
- I welcome the 498 Pledges already made by businesses, and want to build on that through the review announced on 22 March.
- We will work over the summer with the current Business Pledge companies, the main business organisations, our business support partners and the wider business community to explore barriers to making a commitment to the Business Pledge and ways to make the Pledge more attractive to businesses. The review will focus on boosting its scale and impact.
- We will develop and publish a Fair Work Action Plan before the end of the year. The plan will set out how the Scottish Government will utilise all its strategic levers to promote fairer working practices. This will include exploring when we provide support to business where it is appropriate for that business to make a commitment to Fair Work practices and the Pledge.
- I remain absolutely committed to the Pledge - and the Real Living Wage, which will always be at its heart.
- 66 per cent of the 110 companies who completed the recent survey (published on 27 March) reported a positive impact on their business as a result of signing up to the Pledge. 93% said they would recommend it, with 25 per cent of respondents indicating an increase in competitiveness and 10 per cent an increase in productivity.
- The budget for the Pledge started at around £8,000 plus £36,000 for website set up and has risen steadily year on year to £13,000 for running costs in 2018/19. The figure of £24,000 in 2017/18 included funding towards the Small Business Survey to investigate further how the business indicators have been met as a result of committing to the Pledge.

Review of the Business Pledge

The Minister for Employment announced a short review of the Business Pledge on 22 March. This is in response to the survey report that was published on 27 March which highlighted the case for increased awareness of the Pledge and greater support for Pledge businesses working to meet more of the Pledge elements.

Ministers remain absolutely committed to the Business Pledge and want the review to focus on how it might evolve in order to increase uptake and impact, and provide better support for our existing Pledge companies. The Real Living Wage is at the heart of the Business Pledge and that will not change.

CONTACT: [REDACTED] Enterprise and Cities, [REDACTED] June 2018

MODERN APPRENTICESHIPS AND EQUALITIES ACTION PLAN

Top Lines

- Scottish Government must always be alert and responsive to the needs of a changing Scottish economy to ensure our skills investment continues to maximise the talent and potential of our future workforce.
- How we recruit and train the workforce of today has a critical role in paving the way to the kind of economy we want Scotland to have in the future, this is particularly relevant now, as we prepare for the first ever Year of Young People.
- Official statistics recently published (12.06.18) show there were 27,145 Modern Apprenticeship starts in 2017/18 - exceeding the annual target of 27,000.

Scotland's Apprenticeship Family

- On 11 January 2018 the Minister announced the 2018-19 target for Modern Apprenticeship starts would be 28,000 (and will for the first time include Graduate Apprenticeships in this target).
- There were 27,145 Modern Apprenticeship starts in 2017/18 - exceeding the annual target of 27,000. This is an increase on 2016/17 levels (26,262 against target of 26,000)
- The Scottish Government will receive £230 million in 2018-19 as consequential from UK wide Apprenticeship Levy. However these consequential largely replace existing apprenticeship funding, and are offset by wider adjustments to our block grant.
- It is encouraging to see demand for apprentices remain strong in Scotland despite the introduction of the Apprenticeship Levy, as we continue to progress towards our commitment of 30,000 starts by 2020.
- Scottish Apprenticeship Week took place on the 5 - 9 March 2018 and recognised the value work-based learning brings to employers across the country. Over 20 Ministerial visits were organised across Scotland.
- A Members parliamentary debate was held on the 29 March 2018 to discuss Scottish Apprenticeship Week 2018.
- So to date, over the course of this administration, the Scottish Government has funded training for over a quarter of a million Modern Apprentices (250,033 from April 2007 – March 2018)
- And work is already underway to increase this further with our target to provide 28,000 new starts in 2018/2019, which will for the first time include Graduate Apprenticeships and continue to prioritise higher level training and STEM subjects.

**Expansion, enhancement and diversification of Apprenticeship family
(Foundation/Modern/Graduate Apprenticeships)**

- Foundation Apprenticeships combine the benefits of school, college and work-based education for pupils in their senior phase.
- As part of the drive to improve attainment, DFM announced an ambition that by the end of 2019, up to 5,000 young people will start a Foundation Apprenticeship, 2615 will start in 2018, up from 351 starts during 2016-17.
- Graduate Apprenticeships support the in-work development of graduates with initial activity focused on STEM with opportunities in the Engineering, Civil Engineering and Digital sectors.
- We have expanded the number Graduate Apprenticeships to 887 in 2018 an increase on 379 opportunities for 2017 and an initial 27 places in 2016; these will be included in the overall MA target from 2018/19.
- Our Apprenticeship Equality Action Plan (EAP) has a focus to increase the number of disabled people; Ethnic minority groups and care leavers entering apprentices and also aims to tackle apprenticeship areas where there are gender imbalances.

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- Skills Development Scotland (SDS) published its EAP Year 1 update on Tuesday 18 July 2017.
- Improving the balance of participants from under-represented groups on the apprenticeship programme is not a change that will happen overnight. It will require long term commitment and innovation.

Apprenticeships benefit individuals, employers and the economy

- Apprenticeships are growing, widening and enhancing in Scotland
 - Modern Apprenticeship numbers are increasing year on year towards our 30,000 target by 2020.
 - Foundation Apprenticeships provide valuable workbased learning experiences and industry recognised qualifications for pupils in the senior phase at school,
 - Graduate Apprenticeships are increasing in numbers and breadth of availability and provide the opportunity to gain a degree qualification while employed.
- Apprenticeships are a key element of our approach to economic development and youth employment.
- They support young people into sustainable and rewarding careers while contributing to the skills needs of our businesses.
- They are central to our ambition to develop a world class vocational education system that matches our world class, and free, system of higher education.

SG response to the UK Government Apprenticeship Levy

- We consulted employers in Scotland on the introduction of the UK Government Apprenticeship Levy. In line with their response we will:
 - continue to expand the Apprenticeship family (Modern Apprenticeships / Foundation / Graduate Level opportunities)
 - continue with implementation of the Youth Employment Strategy: 'Developing the Young Workforce';
 - support measures to tackle structural unemployment issues, challenge inequalities and under-representation in the labour market
 - respond to the immediate skills needs of employers, through; ongoing and sector-specific skills support for priority sectors in the economy such as digital, care and early years.
 - Expand frameworks for apprentices over 25; enhance contribution rates for disabled people and those with experience of care up to age of 29.
 - The new pilot £10 million Flexible Workforce Development fund, delivered through the college sector, bringing it together with industry to better support in-work training through up-skilling or re-skilling of existing employees.

The Scottish Government is committed to provide a stable Apprenticeship system based on what works for the economy, employers and apprentices. [Background on English Apprenticeship Statistics]

- Between August 2017 and January 2018 there were 206,100 apprenticeship starts (at the time of reporting) compared to 269,600 apprenticeship starts in comparison to the previous year. This equates to an almost 24% fall in apprenticeship uptake in England compared to the same point last year.
- In January 2018 there were 25,400 apprenticeship starts reported, compared to 36,700 starts in January 2017. This equates to an almost 31% fall in apprenticeship uptake compared to the same point last year.
- The January 2018 starts are based on returns up until the end of February 2018 and are presented for transparency purposes. Finalised figures for all months will be available in November 2018.

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Support for employers

- Continue to ensure work based learning is valued by employers and offers opportunities to all young people irrespective of their background.
- Need to ensure more employers, particularly SMEs, engage with the MA programme, and we need to align MA opportunities with emerging growth sectors of our economy.
- Employers seeking support to take on an apprentice should visit SDS dedicated website, <https://www.apprenticeships.scot/>

Equalities Action Plan (EAP) for Modern Apprenticeships in Scotland – Background

- In response to Developing the Young Workforce (DYW) recommendations, Skills Development Scotland (SDS) published its Equalities Action Plan for Modern Apprenticeships in Scotland on 2 December 2015.
- The plan has a focus to increase the number of young disabled people; Ethnic minority groups and care leavers entering Modern Apprenticeships. The EAP also aims to tackle apprenticeship areas where there are gender imbalances, for example females in science, technology, engineering and maths (STEM) and males in childcare related apprenticeships.
- The EAP covers a five year period up until 2021 and sets out clearly the scale of the challenge relating to occupational segregation and inequality in MAs and the requirement for all partners to work in collaboration .
- The EAP contains a comprehensive list of activity which is already underway to increase participation rates among the under-represented groups.
- The long term aim of the plan is to effect systemic change which requires a major cultural shift in relation to the career pathways that young people choose and to the recruitment and employment practices of employers.
- The plan was developed in consultation with a wide range of stakeholders including Scottish Government, BEMIS, Close the Gap, Engender, Capability Scotland, Glasgow Disability Alliance, Glasgow Centre for Inclusive Living, Scottish Throughcare and Aftercare Forum, Stonewall Scotland, Scottish Transgender Alliance, STUC and Scottish Refugee Council.
- Improvement targets have been included for each group to be achieved by 2021. SDS will report on this annually.

Fair Work and Skills Division

June 2018

GENDER AND STEM

We are addressing gender issues in STEM

The Improving Gender Balance (IGB) Project was an action research project involving two national development officers who worked in six school clusters to challenge stereotyping in learning from early learning through to upper secondary school and help young people to make informed career choices. The project received a total £410,000 funding over three years and was managed as a partnership of Skills Development Scotland, Education Scotland, Institute of Physics and Scottish Government.

The IGB Project finished at the end of March this year and the interim evaluation findings state that the majority of those who responded felt they now have more influence in their own organisation on gender imbalance matters and that the project has influenced work with young people around gender stereotypes.

Research supports the way forward in tackling gender stereotyping

The project evaluation found evidence of:

- Greater awareness amongst teachers and senior managers of unconscious bias, including gender bias – and how it manifests itself within their activities and what steps need to be taken to promote gender balance.
- Greater awareness of gender issues among learners – with this feeding into students talking about gender issues more often. For example, a number of teachers highlighted that students are more likely to confront bias, stereotyping or throwaway remarks than in the past.

Additional staff to be employed by Education Scotland to promote gender balance in STEM and address wider equalities and equity issues

The following actions have been developed, drawing on the learning from the Improving Gender Balance project, to address the STEM strategy commitment of unconscious bias, gender stereotyping and tackling inequity within early learning establishments and schools:

- This programme will be led by a new team of six staff (one team leader and five development officers) managed by Education Scotland. The team should be in place by Autumn 2018.
- The programme will focus on the promotion of gender balance and tackling of stereotypes in early learning and childcare, primary and secondary settings.
- The new officers will work in partnership with the six new Regional Improvement Collaboratives that are being established. They will also liaise closely with the new STEM Regional Advisors currently being recruited by Education Scotland.
- As an action within the STEM strategy, the work will continue to prioritise tackling the root causes of gender imbalances through whole school/setting approaches. This will address gender equality broadly such as encouraging the participation of girls in STEM subjects, and supporting work with boys and literacy.
- The focus of the Improving Gender Balance Programme will be widened out beyond STEM to other curriculum areas and, as appropriate, to other equality and equity issues.

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The Government's STEM Strategy supports a series of actions to promote STEM careers

- SDS will continue its support for key influencers (teachers, parents, careers advisors and peers) to challenge assumptions and encourage uptake of STEM Apprenticeships for all.
- STEM Media Campaign to increase gender balance in participation in STEM study and address occupational segregation.
- Each College and University will develop Gender Action Plans to advance equity and reduce disparity for learners within STEM subject areas.
- Science Centres and Festivals will be supported to target activities for particular groups, including women and girls.

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Curriculum Unit
Ext ██████████

Gender pay gap: how big tech companies in the UK compare

WIRED ⁵tallies the gender pay gap reports for technology's household names and explains how the gender pay gap is calculated. *By K.G ORPHANIDES*
04 Apr 2018

Amazon's UK business is spread across multiple companies which have very different pay conditions for women.

While Amazon UK Services has achieved income parity between men and women, Amazon Video pays the median women employee just 44p for every £1 that men earn, while the mean is little better at 60p.

Conspicuously, the number of women employees falls as you go up the pay grades: women make up 76.1 per cent of the lowest quartile, 64.2 per cent of the lower middle quartile, 50 per cent of the upper middle quartiles and 38.5 per cent of the top quartile. Amazon UK Services, by comparison, has around 30 per cent female staff at all pay grades.

Amazon Online UK pays women 83p for every man's £1, and their bonuses are around 25 per cent smaller than the men's.

Amazon EU SARL UK Branch, where women make up 62.9 per cent of the lowest quartile and 42.5 per cent of the top quartile of employees, they earn 82p for every £1 that men earn and can expect to get bonuses that are 42 per cent smaller than their male colleagues.

Finally, Amazon Web Services pays women a median 82p to every £1 an hour earned by men, while their median bonus is 47 per cent lower than a man's.

The percentage of women in AWS's UK workforce is low compared to other Amazon companies – they account for 34.8 per cent of the lower quartile, 10.9 per cent of the lower middle quartile, 14.1 per cent of the upper middle quartiles and 17.4 per cent of the top quartile.

Amazon has provided us with figures covering its entire UK business, which show that the median women's wage across is 0.7 per cent higher than men's, with women earning £1.01 for every £1 that men earn. Across Amazon companies, men and women are at parity for median bonuses, too.

However, Amazon's mean figures reflect the larger number of men in the firm - only 39 per cent of all employees are women, and only 25 per cent of those in management positions. This produces median pay figures that put men's earnings 6.1 per cent higher than women and men's bonuses 15.9 per cent higher.

⁵ <http://www.wired.co.uk/article/uk-gender-pay-gap-reporting-news-how-is-it-calculated>

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	Mean pay gap	Median pay gap	comments
Amazon UK Services Ltd.	2.1%	-0.1% *	* comparing median hourly rates, women earn the same as men
Amazon Online UK Limited	17.4%	17.4%	
Amazon Video Limited	40.1%	56%	
Amazon Development Centre (London) Ltd	22.7%	17.2%	
Amazon EU Sarl, UK Branch	18.2%	19%	
Amazon Web Services UK Limited	15.8%	18.4%	

CABINET SECRETARY FOR ECONOMY, JOBS AND FAIR WORK

GENDER PAY GAP

Fawcett Society Report - 23 April 18. UK Sex and Power Index reveals positions of power in every sector of our society are dominated by men. Shocking scale of inequality & slow progress prompts calls for quotas. The Index reveals that women make up just: 6% of FTSE 100 CEOs; 16.7% Supreme Court Justices; 17.6% of national newspaper editors. 26% of cabinet ministers; 32% of MPs.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 - English public authorities, and private and voluntary sector organisations with 250 or more employees in England, Wales and Scotland required to publish their gender pay gap. Deadline for reporting was April 2018.

The regulations do not apply to Scottish Government. Gender pay gap requirements placed on the Scottish Government are set out in the - Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

Close the Gap – 4 April 2018. Close the Gap assessment of Scottish gender pay gap reporting suggests most employers are not planning to take action to close their pay gap. They assessed a sample of 200 Scottish employers reporting their gender pay gap. Examples of headline findings from the assessment found:

- Extremely high gender pay gaps of up to 60% and bonuses of up to 607% in male-dominated sectors such as construction, manufacturing, finance and oil and gas;
- Less than a third of employers have published a narrative explaining the cause;
- Less than a fifth of employers have set out actions they will take to close the pay gap. Only 5% have set targets to reduce their pay gap.

Top Lines

- Equality for women is at the heart of the Scottish Government's vision for a fairer Scotland.
- We are committed to ensuring that women are represented in all senior and decision making roles, including in the boardroom and in politics.
- I am proud that this Government leads by example by having one of the very few gender-balanced cabinets anywhere in the world – with all ministers, male or female appointed by merit.
- The overwhelming majority of equality law is reserved to the UK Government.
- The Scottish Government has called for full devolution of equality law.
- The Scottish Government does not currently have legislative competence to introduce gender quotas for the Scottish Parliament or local government in Scotland.
- All political parties need to take steps to address this issue.
- Using new powers transferred by the Scotland Act 2016, we introduced the Gender Representation on Public Boards (Scotland) Act 2018 which received Royal Assent on 9 March 2018.
- The Act sets an ambitious objective for all public boards to have 50% of non-executive members who are women.
- The Scottish Government does not have power to introduce similar legislation for private boards, but we are encouraging companies to take this issue seriously.
- We continue to champion our Partnership for Change 50/50 by 2020 campaign. 217 organisations have signed up to date.

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UK Gender Pay Gap Reporting

- Scotland's full-time gender pay gap at 6.6% remains below the UK (9.1%) and is only marginally higher than the year before.
- We welcome more transparency in reporting pay gaps as one way to drive change. However, some of the figures reported by large companies over the last few weeks show there remains a very real challenge to reduce the gender pay gap.
- Employers need to take real action to improve workplace practices that increase the number of women that progress to senior, decision-making levels.
- We are establishing a Gender Pay Gap Working Group that includes stakeholders such as Close the Gap, Engender and STUC.
- The working group will identify action to reduce gender pay gaps across Scotland as part of the Scottish Government's inclusive growth vision.

We have come a long way and the full-time pay gap is down from 11.9% in 2007 and 16.7% in 1999.

- There are many drivers of the gender pay gap and no one solution to closing it.
- We are providing £205,000 to Close the Gap for July 2017-June 18 to challenge and change employment practices and workplace cultures.
- Close the Gap have developed a free online toolkit to assist employers to report their gender pay gap to comply with the regulations.
- We are providing £750,000 to the Workplace Equality Fund which supports employers to deliver innovative solutions to overcome workforce inequalities, including helping them to identify and close their pay gaps.
- In 2016, the Scottish Government lowered the threshold for listed public authorities in Scotland to publish their gender pay gap every two years, from those with more than 150 employees to those with more than 20 employees.

The EHRC will take enforcement action against employers who have not complied with the UK Gender pay gap reporting regulations

- The Equality and Human Rights Commission published on 23rd March 2018 its final policy on how the new regulations will be enforced.
- The EHRC are aiming to initiate enforcement action against 100% of employers who do not report their information within the first year.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 do not apply to the Scottish Government.

- The gender pay gap requirements placed on the Scottish Government are set out in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.
- The 2012 regulations require us to publish our gender pay gap every 2 years.
- We have reported these in the Equality Mainstreaming Report published in 2013, 2015 and 2017.
- The Scottish Government gender pay gap as at 31 March 2018 on a mean average basis was 4.63%.
- Use of the mean figure is the Scottish Government's preferred method of calculation. It is the most meaningful as it includes the salaries of the lowest and highest paid.
- The median gender pay gap in Scottish Government is 2.68% as at 31 March 2018. The overall UK Civil Service median gender pay gap is significantly higher at 12.7%.
- The Scottish Government's mean gender pay gap of 4.63% is significantly below the mean gender pay gap for a number of UK Civil Service Departments published under the 2017 regulations:
 - (Welsh Government 7.99%; Home Office 10.1%; Department for Transport 16.9%; Department for Health 14.2%; HM Treasury 7.1%).

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Action is being taken to reduce gender pay gaps within the Scottish Government.

- The Scottish Government is working closely with colleagues in the Equality and Human Rights Commission to identify steps that would help further reduce any pay gaps.
- 45% of the successful candidates in the Scottish Government's 2016 Deputy Director Promotion Board were female.

We are taking action to ensure women's equality in the workplace.

- The Minister for Employability and Training chairs a working group tasked with creating best practice guidelines for employers as well as improving access to guidance and advice for pregnant women and new mothers.
- We have delivered on our commitment for a Returner's programme to assist women to re-enter the workforce following a career break.
- We are providing £159,000 - 2018-19 to Family Friendly Working Scotland Partnership to support and promote development of family friendly workplaces.
- Through Family Friendly Working Scotland we are promoting the 'Happy to Talk Flexible Working' strapline for job adverts, to signal a job can be done flexibly.
- The Scottish Government as an employer has adopted this strapline.


Fair Work and Skills Division
June 2018

DISABILITY EMPLOYMENT AND EQUALITY

ISSUE – The disability employment gap between those with and those without disabilities is 35.8 percentage points. We have committed to seek to reduce this by at least half. Currently only 45.4% of disabled people and people with long term health conditions are in employment compared to 81.2% of those with no disabilities. Through the Disability Action Plan we are taking several steps to halve the gap. However this is a long term ambition. On 30 April 2018 we held a major congress setting out our plans. (Source: APS, Jan-Dec 2017 datasets, 16-64 year olds, ONS)

Top Lines

- We want to ensure that **everybody who can and wants to work has the opportunity** to find fulfilling jobs, suitable to their skills and that those who have a disability or other barrier to employment can access the additional support they need;
 - We set out a **specific disability action plan** - published in December 2016 - confirming our commitment to the principles of the *United Nations Convention on the Rights of Persons with Disabilities*. Implementation of the plan is now under way across Government and our partnership with the sector will continue as we drive forward those specific actions.
1. **We have already taken action to help more disabled people into work:**
 - We have provided **young disabled people with the highest level of Modern Apprenticeship funding**, and will remove the barriers that have previously prevented young disabled people entering Modern Apprenticeships (MA), through the implementation of **The Equalities Action Plan for Modern Apprenticeships in Scotland**;
 - In July 2017 we ran a **successful media campaign aimed at SMEs promoting the employment of disabled people**, including promoting case studies, and sign posting information, support and advice for employers;
 - We are delivering a **disability Internship programme**, a two-year **NHS internship programme for disabled graduates**, and will develop a **Learning Disability Employment Programme**;
 - **We are improving the employment prospects of disabled people**, through our devolved Scottish employability programmes.
 2. **We know we can do more and are working with all key partners, towards a long term ambition of seeking to reduce at least by half the disability employment gap in Scotland:**
 - We have engaged with stakeholders, including disabled people with learning disabilities and autism, on how to halve the disability employment gap and will continue with this;
 - We are consulting with public sector bodies and disabled people's organisations about how to increase the disability employment rates in the public sector (disabled people make up 20% of the population, they make up only 11.2% of the private sector workforce and 11.7% of the public sector workforce. (Source: Annual Population Survey (APS) ONS).
 3. **Congress 30 April and Announcements towards halving the disability employment gap:**
 - In *A Fairer Scotland for Disabled People*, we committed to holding a Congress. This took place in Glasgow 30th April focussing on how working together with public and private sector businesses, as well Disabled People's Organisations and other

CABINET SECRETARY FOR ECONOMY, JOBS AND FAIR WORK

stakeholders, we can do more to tackle the inequalities that disabled people face and support more disabled people into work. At Congress we announced three key elements of our **all-government, all-Scotland approach to support more disabled people into work**:

- The launch of a formal consultation on increasing disability employment in the public sector which will set out and ask for comments on the possibility of setting targets for public sector bodies;
 - Our intention to publish a Disability Employment Gap Action Plan in the Autumn of 2018. This plan will set out how we will meet our commitment to at least halve the Disability Employment Gap, working closely with civil society, employers, disabled peoples organisations, trade unions, and the wider public sector as well as disabled people themselves;
 - An additional £1 million investment to provide better support and advice to employers, confirming our intention to work across all sectors to achieve our ambition.
4. **Other actions we are undertaking through the Disability Action Plan:**
- We are building a programme of service **integration and alignment that will seek to** join up public employability services and maximise value for money and which will support those with disabilities and long term health conditions;
 - **Disabled young people** will continue to be supported through the Developing the Young Workforce Scotland's Youth Employment Strategy;
 - We will publish information on **equal pay policy and occupational segregation for disabled people**;
 - We continue to promote the **Supported Employment framework**, and **explore opportunities to promote the Project Search model**;
 - We actively **promote the Department for Work and Pensions' Access to Work scheme** to employers and disabled people to ensure a higher uptake and use of the scheme in Scotland;
 - We are backing **supported businesses** to increase their sustainability;
 - The **Scottish Business Pledge** and other employer networks will be used to raise awareness; and
 - We are stimulating more inclusive **pre-start activity** for social enterprises.

WORKPLACE EQUALITY FUND

A commitment to establish this Fund was made in the Labour Market Strategy published on 15 August 2016. The Programme for Government for 2016-17 recognised that the labour market did not provide good outcomes for many equality groups and that a Workplace Equalities Fund would draw on the recommendations made in the Race Equality Framework for Scotland 2016-2030 (REF) and the findings of the Equal Opportunities Committee inquiry into Removing Barriers: Race, Ethnicity and Employment, published in January 2016.

At the Scottish Trade Union Annual Congress on 24 April 2017 The First Minister announced funding of £500,000 for the creation of the Workplace Equality Fund. In the speech the First Minister stated that the Fund will aim to address long standing barriers in the labour market so that everyone – irrespective of gender, race or disability - has the opportunity to fulfil their potential and improve Scotland's economic performance as a result.

The Workplace Equality Fund, launched on 8th February 2018, is being delivered by Voluntary Action Fund (VAF) on behalf of Scottish Government. The original budget was for £500,000.

Top Lines: We recognise the importance of increasing employment rates and tackling workplace inequalities for specific groups who are disadvantaged in the labour market - minority ethnic, women, disabled people and older workers.

- Inclusive growth is an important objective for Scotland however despite being an economically successful nation deep inequalities exist in our society indicating that the pattern of growth has not benefitted our society equally.
- We are committed to doing all we can to address the barriers that prevent people from all communities from realising their true potential and accessing employment.
- Scotland can achieve higher living standards and greater equality by businesses, government and people working together to ensure we grow in a fair and shared way.

The purpose of the Workplace Equality Fund

- The Workplace Equality Fund will deliver employer led innovative solutions to overcome workforce & workplace inequality.
- We are now providing additional funding of £250,000. This brings the Fund's total value to £750,000.
- The Fund will have a key focus on supporting older workers, women, disabled people, and those from a minority ethnic background.
- It will support the delivery of our Programme for Government, Fair Work Framework, Race Equality Framework, Disability Delivery Action Plan; Scotland's Labour Market Strategy and Fairer Scotland Action Plan.
- In the first round of the Fund VAF received 60 applications and nine successful bidders were announced by the Minister for Employability and Training on 22nd May 2018. A second round of applications will open on 2nd July 2018.
- We expect proposals to focus on overcoming long standing and systemic issues with recruitment practices and progression in the workplace. For example counteracting unconscious bias, promoting a positive culture towards pregnancy and maternity and/or introducing flexible and agile practices.
- We are aiming to support employers across sectors where we know that there are for example issues around occupational segregation and pay gaps – these sectors include the arts, culture, leisure, tourism, finance, manufacturing, construction, agriculture, transport and communication and STEM.

FAMILY FRIENDLY AND FLEXIBLE WORKING

Background/lines to take

- Although the legal powers governing flexible working are currently reserved to Westminster, we are committed to working with employers directly and through their representative bodies to explore ways of promoting and supporting flexible working.
- SG is a partner in – and funds – the Family Friendly Working Scotland Partnership. Through this Partnership, established in 2014, we work with Working Families (a leading UK work-life balance organisation), Parenting Across Scotland and Fathers Network Scotland to support and promote the development of family-friendly workplaces across Scotland.
- SG has recently awarded £159,000 for 2018-19 to support the Family Friendly Working Scotland Partnership. This follows on from funding of £178,700 for 2016-17 and £251,000 for 2015-16, which more than doubled the funding of £100,000 in 2014-15.

Shared Parental Leave

Top lines

- The legal powers governing parental leave and parental pay are reserved to Westminster, and indeed Shared Parental Leave is a UK Government policy.
- Despite this, through our Family Friendly Working Scotland Partnership this Government is committed to supporting employers and employees in Scotland to take advantage of Shared Parental Leave.

Background

- The UK Government introduced Shared Parental Leave (SPL) Regulations, which apply to eligible parents of babies born or children adopted on or after 5 April 2015. SPL allows working families to share Parental Leave between them. Eligible fathers and partners will be able to request more leave from work in the first year following their child's birth. This leave can also be taken in discontinuous blocks.
- We know that there have been issues due to perceived complexity of the system and the perception that for dads and partners to gain, mums must lose out (by forgoing some of their leave).
- Although Shared Parental Leave is imperfect, we recognise that there are benefits for many families. Family Friendly Working Scotland will further promote Shared Parental Leave.

Activities

- The Family Friendly Working Scotland Partnership held a seminar for employers in March 2015, shortly before the introduction of Shared Parental Leave (in April 2015). The seminar helped employers understand how Shared Parental Leave would work and how it could benefit their workforce.
- The Partnership continues to identify and disseminate best practice. For example, on 07 February 2017 we delivered a workshop titled 'Excellence in supporting parents in the workforce', which included discussion of Shared Parental Leave.

Through the Partnership we are seeking to identify employers in Scotland who demonstrate good practice around Shared Parental Leave, with a view to developing case studies. Having Fathers Network Scotland involved in the Partnership will be helpful to this process.

EMPLOYMENT TRIBUNALS

ISSUE: The Smith Commission Agreement proposed that the administration of 22 reserved tribunals be devolved to the Scottish Parliament. The laws providing the underlying substantive rights and duties will remain reserved.

Top Lines

- UKG continues to refine the drafting of the Order in Council (OIC). We await provisions relating to the Employment Appeal Tribunal (EAT) meaning that the composite 'offer' (ET and EAT) to SG remains unknown.
- UKG originally proposed that the phase 1 jurisdictions transfer by April 2020, however, delays on their part in progressing the transfer of functions means this now looks unrealistic
- We want all employers to adopt Fair Working Practices but where this doesn't happen employees should have fair access to justice.
- We are keen to ensure that Scotland has a modern, efficient and effective tribunal system that meets the needs of Scottish people.
- We have established an ET Stakeholders' Forum, in line with commitments in both the Labour Market Strategy and the 2016 PfG, to help frame how we can best use new powers around ETs.
- We want to ensure that any new ET system in Scotland will meet the needs of employees, businesses and society.
- We have made it clear to the UKG that powers devolved for the operation and management of tribunals should be coherent and must enable Scotland to reform the system.
- We have also set out that the devolved tribunal powers must allow Scotland to pursue innovate and distinctive approaches (as appropriate) that meets Scottish needs.

When will the tribunal be transferred?

- Tranche 1 – a simultaneous transfer of the employment, tax, social security and child support jurisdictions by April 2020;
- Tranche 2 – a simultaneous transfer of the remaining jurisdictions (including asylum and immigration) as yet, unspecified date.

Will there be fees introduced in Scotland?

- Following reforms by the UKG, ET fees were introduced in 2013, which we strongly opposed.
- We have committed not to have fees in Scotland, using powers secured through the Smith Commission.
- SG continues to be committed to the principle of abolishing fees for ET, however, will must be absolutely clear on how the transfer of powers and responsibilities would work to ensure the best possible deal for Scotland.
- We welcomed the Supreme Court ruling in July 2017, that the UKG's introduction of ET fees was unlawful under both domestic and European law, on the basis that they prevented access to justice.
- The court noted that the fees were discriminatory against women and other protected groups. The case was brought to the Court by Unison. SG strongly opposed the introduction of fees.
- The UKG now need to repay around £32 million to claimants. A refund scheme has been established by the UKG.
- There are currently no fees charged for ET as a result of the Supreme Court ruling in July 2017 that the UK fee structure was unlawful and discriminating against women and other protected groups.
- It is expected that the UKG will reintroduce a revised fee structure in due course. In response to the Taylor Review, the UKG has stated it will consult if fees are to be reintroduced.

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SG and UKG officials are in discussion regarding the transfer of ET to Scotland

- Section 39 of The Scotland Act 2016 puts in place a mechanism to deliver this transfer of powers.
- A two stage legislative process; an Order in Council (OIC) will set out the functions to be devolved and legislation in the Scottish Parliament will then effect an operation transfer.
- An early draft of an OIC for the ET was provided by UKG to illustrate the general approach to transfer. We concluded a consultation on this in March 2016.
- UKG continues to refine the drafting of the OIC and its terms are not settled.
- We await provisions relating to the Employment Appeal Tribunal (EAT) meaning that the composite 'offer' (ET and EAT) to SG remains unknown.
- SG will continue to work with stakeholders, including trade unions, to ensure that the new ET system in Scotland provides access to justice and contributes to the SG's vision for Fair Work to be embedded in all workplaces in Scotland.

What powers are expected to remain reserved?

- We expect the UKG not to devolve:
 - responsibility for determining what claims the tribunal can hear and who can appeal;
 - when the tribunal may accept an appeal (including any statutory pre-appeal process such as mandatory reconsideration) and the time limits for appealing;
 - the scope of the tribunal's powers, including remedies; and
 - any further right of appeal.
- The reservation of substantive law is consistent with the letter of Smith but will significantly constrain the nature of any reforms Scotland can introduce.
- It is open to UKG to impose restrictions or conditions on what is being transferred and they have already indicated that there will be some such limitations on what is to be devolved.
- We believe that the Scottish Ministers, accountable to the Scottish Parliament, should have the full set of powers around employment law.
- The full powers over employment law will enable us to deliver our distinct policy objectives
- Our policy objectives are set in response to the needs of people in Scotland and reflecting SG's ambition to deliver fair and inclusive policies underpinning our national objective for a fairer Scotland.

Fair Work and Skills Division
June 2018

BREXIT AND THE CONSTITUTION

Top Lines

UK voted to LEAVE, Scotland and Northern Ireland voted to REMAIN

UK	LEAVE 51.9%	REMAIN 48.1%	Turnout 72.2%
England	LEAVE 53.4%	REMAIN 46.6%	Turnout 73.0%
Scotland	LEAVE 38.0%	REMAIN 62.0%	Turnout 67.2%
Wales	LEAVE 52.5%	REMAIN 47.5%	Turnout 71.7%
N Ireland	LEAVE 44.2%	REMAIN 55.8%	Turnout 62.9%

- Scotland voted clearly and decisively to remain within the European Union and we have demonstrated that this is the best option for Scotland's future.
- Failing that, our analysis shows that continued membership of the European Single Market and Customs Union is essential for our economy, society and people.
- Scotland has a progressive fair work and inclusive growth agenda, which aligns well with the EU Pillar on Social Rights.
- Further powers on employment would support the Scottish Government to track EU policy or develop our own distinct approach to supporting diversity where necessary.

Scotland did not vote for Brexit, but now has to deal with the consequences

- Our preferred option is for the whole of the UK to remain in the EU.
- Failing that, we have been consistent that staying in the European Single Market and Customs Union is essential for our economy, society and people.
- Fraser of Allander estimates 134,000 Scottish jobs are supported by EU trade.
- The EU is the largest single market for Scotland's international exports, with exports worth £12.7 billion in 2016.

The decision to leave the EU is likely to have have significant labour market implications.

- The loss of EU frameworks providing protections for workers leaves the Scottish labour force at risk of loss or erosions of existing provisions
- A lack of commitment by the UK Government to continue to track the EU Social Pillar and its fair work policies is a concern when considered alongside Scotland's inclusive growth agenda
- The UK Government has already undermined the role of trade unions and the future of the provisions contained in the Working Time Directive are already under threat.

Scotland needs more powers over employment if it is to fully deliver on its Inclusive Growth ambitions

- Inclusive growth requires a diverse workforce and agile policies to reflect changing demands in the labour market.
- Scotland's Labour Market Strategy, Fair Work Framework and approach to Brexit all of which support a diverse workforce reflect a very different policy approach to other parts of the UK and require more powers to be fully effective.

Fair Work and Skills Division

BUSINESS IN THE COMMUNITY (BITC)

OVERVIEW OF BUSINESS IN THE COMMUNITY (BITC)

Who are BITC?

- BITC are one of The Prince's Charities, a group of not-for-profit organisations of which HRH The Prince of Wales is the Royal Founding Patron.
- business-led membership organisation made up of progressive businesses of all sizes who understand that the prosperity of business and society are mutually dependent.
- **Amazon is listed on the BITC website as one of the member organisation.**

What do BITC do?

- members work together to tackle a wide range of issues that are essential to creating a fairer society and a more sustainable future.
- a business-led charity with more than 30 years' experience of mobilising business.
- engage thousands of businesses through programmes driven through a core membership of more than 800 organisations from small enterprises to global corporations.

BITC Scotland:

- BITC Scotland tackles critical societal issues and drives change in workplaces and communities by unlocking the ambitions of business for a fairer society through programmes, events and research.
- BITC Scotland has a focus on three areas - *education*, *work* and *innovation*. They are working on the following programmes in Scotland:
 - **LifeSkills:** LifeSkills created with Barclays is a free, curriculum-linked programme for young people and schools which aims to engage, educate and empower young people giving them access to employability skills to support them in the transition from school to work.
 - **Business Class:** Launched in Scotland in 2011, Business Class ensures that business engagement with schools is driven by the needs of the school leading to the greatest possible impact.
 - **Food for Thought:** Involving pupils in nursery, primary and secondary schools in food related projects, to encourage healthier eating habits and a better understanding of food.
 - **Ready for Work:** A structured way for businesses to support some of society's most disadvantaged, socially isolated and vulnerable people back onto their feet and into work.
 - **Business Connectors:** In Scotland, Business Connectors offer collaboration across the local community, developing the way that local businesses and the community interact and benefit each other.
 - **Business Emergency Resilience Group (BERG):** An initiative of HRH The Prince Charles, Duke of Rothesay and BITC, BERG helps businesses and communities to prepare for, respond to and recover from emergencies.
 - **Ex-military recruitment:** A UK-wide initiative led in Scotland with funding from the Scottish Government, with a toolkit to help businesses reap the benefits of employing ex-service men and women.

Responsible Business:

- BITC Scotland currently receives funding (£200,000) from the Scottish Government as part of a commitment in Scotland's Labour Market Strategy to support the Scottish National Action Plan for Responsible Business.

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- BITC defines a responsible business as one that puts creating healthy communities and a healthy environment at the centre of its strategy to achieve long-term financial value.
- BITC defines Responsible Business as demands purposeful leaders to drive leadership at every level across the business in order to:
 - Understand where a business is able to have the most impact by identifying those material issues that are of greatest importance to both commercial success and key stakeholders and the long-term benefit to society
 - Understand how to take advantage of the opportunities brought by digital innovation (e.g. more efficient use of resources, access to new markets) as well as manage the unintended consequences (e.g. cybersecurity, access to jobs, inequality)
 - Support and empower customers, embrace the changing nature of work, deliver products and services that serve society and drive a transparent, inclusive and productive value chain
 - Move from a 'do less harm' approach to one where they are a genuine force for positive change, creating competitive advantages, meeting changing customer needs and attracting, retaining and developing the best talent

Responsible Business Project:

- The Responsible Business Project is funded from the Fair Work unit of the Economy, Jobs and Fair Work directorate under Keith Brown MSP. This project aims to grow the responsible business movement and promote inclusive growth in Scotland.
- As part of this project BITC convenes a leadership group of c. 18 organisations which collaborate with policy experts and national and local government to connect and support existing activity, identify gaps and utilise the skills and resources of business to improve the lives of families affected by poverty through the collective actions of employers in Scotland.
- The project also supports BITC to run events and workshops aimed at engaging businesses around a place or specific topic. Martin Reid has been the primary point of contact for this project.
- Outputs of this project include the business leadership groups which meet seven times a year, two workshops to support the development of the Scottish National Action Plan on Human Rights and Business (November 2017 and May 2018), sitting on the steering group to develop the congress on Disability and Employability (April 2018), providing a panel to the Scottish Government's Inclusive Growth Conference (October 2017) and supporting the review of the Scottish Business Pledge through a workshop with businesses and policy leads (May 2018).
- The project has also supported activity to support age inclusive workplaces, gender equality, business support for employability skills in schools (working to support DYW) and employer supported volunteering for employees in their communities.

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LABOUR MARKET

ANNEX S

ONS Labour Force Survey [published Tue 12 June for Feb to Apr 2018]:

- Good performance over the year: Scotland's employment level and rate rose while inactivity levels and rates fell.
- Over the quarter, Scotland's inactivity levels and rates fell and the employment rate increased. However, Scotland's employment level decreased.
- Scotland's employment rate (75.2%) is lower than the UK's (75.6%) and unemployment rate slightly higher (4.3%) than the UK's (4.2%).
- Outperforming the UK: Scotland outperforms the UK on employment, unemployment and inactivity rates for young people and employment and unemployment rates for women.

Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2017 [published Tue 22 May for Jan to Dec 2017]

- The gender employment gap has decreased from 10.6 percentage points in 2007 to 6.9 percentage points in 2017.
- In 2017, the disability employment gap was 35.8 percentage points, down from 37.4 percentage points in 2016.

Markit Report on Jobs: Scotland [published Fri 08th June]

- Permanent staff placements in Scotland continued to increase in May and have now increased for 16 consecutive months.
- Demand for permanent staff in Scotland also increased in May and at a faster pace than demand growth for the UK as a whole.

Top Lines

- Scotland's unemployment rate remains close to its historic low of 3.8%.
- There are 2,642,000 people aged 16+ in employment. This is up by 18,000 over the past year and 78,000 more than the pre-recession peak (Mar-May 2008).
- The number of people in self-employment has decreased by 39,000 over the year to 290,000.
- Scotland's employment rate for women (71.4%) and young people (56.3%) is higher than the UK's (71.3% & 54.0%).
- Scotland's unemployment rate for women (3.7%) and young people (8.9%) is lower than the UK's (4.1% & 10.8%).
- There has been an increase of 29,000 people in part-time employment and a decrease of 24,000 people in full-time employment in the last year.

Headline Labour Market Indicators for Scotland and UK – Feb to Apr 2018

	Indicator	Rate (%)	Change (%pt) over		Level ('000)	Change (000's) over	
			Quarter	Year		Quarter	Year
Scotland	Employment	75.2	0.4	1.1	2,642	-2	18
	Unemployment	4.3	0.0	0.3	118	0	9
	Inactivity	21.4	-0.5	-1.3	729	-16	-47
UK	Employment	75.6	0.3	0.8	32,394	146	440
	Unemployment	4.2	-0.1	-0.4	1,416	-38	-115
	Inactivity	21.0	-0.2	-0.5	8,651	-72	-200

Note: Employment rate, inactivity rate and inactivity level cover those aged 16-64; unemployment rate covers all those economically active; employment and unemployment levels cover those aged 16+.

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Scotland outperforms the UK on labour market outcomes for young people:

- Compared with the UK, Scotland's youth employment rate is higher (56.3% vs. 54.0%) and unemployment rate lower (8.9% vs. 10.8%).
- Scotland's youth inactivity rate is lower than the UK's (38.2% vs. 39.5%).

Scotland outperforms the UK on unemployment for women:

- Scotland's unemployment rate for women (3.7%) is lower than the UK's (4.1%).
- Scotland's unemployment rate for women decreased by 0.4 percentage points (p.p) over the past year compared with a 0.3 p.p. decline for the UK as a whole.

Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2017 Publication [published Tue 22 May for Jan to Dec '17]

- The gender employment gap has decreased from 10.6 percentage points in 2007 to 6.9 percentage points in 2017.
- 8.0 per cent of employees reported hours based underemployment in 2017, down from 10.0 per cent in 2012 and down from 8.4 per cent in 2016.
- Since 2007, the employment rate has increased in 18 local authorities, decreased in 13 and remained constant in 1.
- In 2017, the disability employment gap was 35.8 percentage points, down from 37.4 percentage points in 2016.
- Scotland has a highly qualified workforce, 48.4 per cent of workers aged 16-64 have further or higher education qualifications (SVQ level 4+ or equivalent).

The Scottish Government is taking action to support people entering the labour market, including:

- In April last year, we launched the transitional employment services – Work First Scotland and Work Able Scotland.
- 5,523 people were supported by these programmes between April 2017 and March 2018.
- We are now delivering a new distinctly Scottish programme of employment support, Fair Start Scotland, which commenced in April 2018.
- Fair Start Scotland aims to support 38,000 people to enter the labour market, including those facing barriers, over the next three years.
- Scottish Enterprise recently awarded a £2.35m Regional Selective Assistance Grant to recruitment firm SThree to create a Shared Service Centre in Glasgow.
- This investment is expected to create 272 jobs in the first year, 96 are potentially graduate posts. All jobs will pay above the Scottish Living Wage.
- We will continue to work to support employment and our priority remains developing the conditions for economic growth.
- This includes through taking forward our multi-billion pound infrastructure plan, and the Scottish Growth Scheme.

DEVELOPING THE YOUNG WORKFORCE: SCOTLAND'S YOUTH EMPLOYMENT STRATEGY

Developing the Young Workforce is a seven year national programme to reduce youth unemployment by 40% by 2021. The aim is to enable more work ready young people, with the skills relevant to support securing positive destinations. *DYW* is one of the three key pillars of education policy in Scotland, alongside *Getting it Right for Every Child* and *Curriculum for Excellence*.

The Government will take forward the Education Delivery Plan, PfG and Enterprise and Skills Review commitment to "review the learning journey for all 16-24 year olds to ensure that education provision for young people is as effective and efficient as possible and provides more stepping stones for those needing most support."

TOP LINES:

- **DYW KPI3** is to increase the **percentage of school leavers attaining vocational qualifications** at SCQF level 5 and above by 2021. Data published in June 2016 showed this had **risen from 7.3% in 2013/14 to 9% in 2014/15. In 2015/16 this increased to 10.7%**. Data for the 2016/17 cohort will be published on 19 June 2018.
- We want all young people to undertake **relevant work-related learning** as part of their curriculum 3-18, regardless of their learning pathway, future career aspirations, gender or background.
- Collaborative partnership working between employers and education and equality of opportunity is integral to enrich learning, raise attainment and help young people improve their understanding and readiness for employment and later life.

There has been an increase in the uptake of vocational qualifications available to those in the senior phase year on year and we are committed to continuing this.

- Vocational provision for young people in the senior phase is growing, including a significant expansion of Foundation Apprenticeships and our first increased target for Modern Apprenticeships exceeded.
- In academic year 2016/17, there were **351 young people** participating in Foundation Apprenticeships, through **8 frameworks** being delivered across **26 local authorities** and **113 schools**
- **1245** young people started a Foundation Apprenticeship in academic year 2017/18 (**3.5 times 2016**), with the number of frameworks expanded to **10**, and **FAs are now available in all 32 local authorities**.
- The percentage of school leavers attaining vocational qualifications at SCQF 5 or above rose from **7.3% in 2013/14 to 9% in 2014/15 and 10.7% in 2015/16**.
- During this period, the percentage of school leavers attaining vocational qualifications increased at all SCQF levels from 2 to 6)
 - Total attainment for SQA Awards, Skills for Work Courses, Personal Development Courses, National Certificates and National Progression Awards was **up by 4.3%** in December 2017 compared to December 2016.

All secondary schools will have active partnerships with regional colleges (2018-19)

- 4,510 senior phase pupils were enrolled in college courses in 2016/17, compared with 3,014 in 2015/16, 2,393 in 14/15 and 2,101 in 2013/14 – **a rise of 33% since 2013**.
- Senior phase vocational pathways are **operating in all local authorities**, although the type of pathway varies across regions with some delivering HN or equivalent activity,

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some delivering Intermediate 2 Group Awards and some offering Skills for Work Qualifications

- Draft Outcome Agreements for AY 18/19 to AY 20/21 reflect the trend for increasing recruitment is set to continue.

We are committed to ensuring that meaningful and productive school/employer partnerships are operating in all secondary schools by 2018/19.

- Standards for careers education and work placements have been published which provide universal entitlements and place responsibilities on all partners to address equality issues.
- Guidance for school/employer partnerships is published which sets out the benefits, roles, and approaches to take.
- Employer led Developing the Young Workforce Regional Groups have been established in 21 regions to provide leadership, a single point of contact and support to facilitate engagement between employers and education.

Encouraging diversity in the workforce by tackling gender stereotyping is central to the DYW programme.

- A gender action plan is in place for further and higher education, and an equalities plan for apprenticeships to ensure we are doing all we can to shift under representation in certain subjects and careers.
- Removing real or perceived barriers is key to open up more opportunities for young people to access training and employment programmes to support smoother transitions to further and higher education and work.

The 15-24 Learner Journey Review report

- The report, published in May, sets out the Scottish Government's ambition that all our young people to be equipped with the skills and knowledge they need to reach their full potential, in both their careers and their wider lives
- It recognises the strengths of the Scottish education and skills system and sets priorities for further improvements to ensure all young people to get as much as possible from that system.
- It also provides an opportunity to be absolutely clear about how we best align our system to deliver more choices; and to ensure that we value those choices equally - be they traditional or vocational.
- This work will be taken forward in collaboration with key partners.

