

| MEETING BETWEEN CABINET SECRETARY FOR ECONOMY, JOBS AND FAIR WORK and [REDACTED] DIRECTOR OF PUBLIC POLICY, AMAZON | |
|---|--|
| TIMING | 12:00-12:45, 19 September 2017 T4.03, Scottish Parliament |
| ATTENDEES | <ul style="list-style-type: none"> • [REDACTED] Director Public Policy, UK and Ireland • [REDACTED] <p>Official Support: [REDACTED] Fairer Workplaces [REDACTED]</p> |
| AGENDA/ BRIEFING | <ol style="list-style-type: none"> 1. Update from Amazon on following up agreed actions from meeting on 19 December 2016 2. Preparations for Christmas 2017 – what might be done to avoid a repeat of last year’s negative press reporting (potential Cab Sec visit in October) <p>Briefing Contents</p> <p>Agenda Item 1: Update from Amazon on Fair Work (pg.2) Agenda Item 2: Preparation for Christmas 2017 (pg.3) Agenda Item 3: Amazon Apprenticeship Programme & Amazon Web Services re:Start Programme (pg.3) Annex A: Biographies & Ministerial Engagement (pg.4) Annex B: Amazon Profile (pg.5) Annex C: Meeting with Amazon, 19 December 2016 (pg.6) Annex D: Fairer Workplaces (pg.8) Annex E: Modern Apprenticeships (pg.10)</p> |
| YOUR MAIN OBJECTIVE/ LINES | <p>To follow up on your visit to the Dunfermline Fulfilment Centre on 19 December to better understand Amazon’s approach to employment and to promote/encourage fair work and fair working practices.</p> <p><u>You will wish to discuss Amazon’s progress on the agreed actions (see Annex C (pg.6)) and what might be done to avoid a repeat of last year’s negative press reporting</u></p> <p>Any commitment from Amazon to pay travel for their temporary workers and/or to pay the Scottish Living Wage would be an achievement.</p> <ul style="list-style-type: none"> • SG welcomes Amazon’s contribution to permanent employment in Scotland. • SG believes it is important that all employees in every workplace are treated fairly. • SG is doing everything we can to drive up employment standards and promote good working practices with the powers available to us. • I am encouraged by some of the good working practices you have outlined and would urge you to go further by becoming a Scottish Living Wage accredited employer. • Important to address issues which lead to the high levels of public, media and parliamentary criticism experienced in the lead up to Christmas last year. |

AGENDA ITEM 1

UPDATE FROM AMAZON ON FAIR WORK

ISSUE FOR DISCUSSION/BACKGROUND/LINES

Invite Amazon to update you on progress on actions agreed from 19 December visit to Dunfermline Fulfilment Centre.

In December, it was agreed Amazon would:

- consider talking with the Living Wage Foundation and become an **accredited Living Wage employer**
- look into taking a more supportive role in **encouraging trade union representation**
- provide **information on the provision of transport and the subsidy levels** Amazon contribute
- look into the work of the Fair Work Convention as a means of building Amazon's reputation around **fair work practice**

***Note: Amazon did not fully agree with our record of the points they had agreed to look in to, but did not expand on where they had a different view (see note of meeting from 19th December).**

FAIR WORK & WORKING CONDITIONS

The media has criticised Amazon (particularly pre-Christmas) for allegedly penalising workers for taking time off sick, pressurising them to hit targets, and because workers were allegedly sleeping in tents near their warehouse to save money on travel costs.

Lines to take

- We **welcome the contribution Amazon makes** to permanent employment in Scotland.
- It's **important all employees in all workplaces are treated fairly.**
- Important also that **measures are taken to address issues which lead to the high levels of public, media and parliamentary criticism** experienced in the lead up to Christmas.
- The Scottish Government is doing everything we can to **drive up employment standards and promote good working practices** with the powers available to us, but **organisations and employers must play their part too.**
- Our **Labour Market Strategy** outlines our focus on creating more jobs, but this is also about better quality jobs and jobs that work for every individual in terms of skills, pay, security, and prospects.
- I am **encouraged by some of the good working practices** you outlined when I visited the Dunfermline centre in December and would again urge you to **go further by becoming a Scottish Living Wage accredited employer.**

LIVING WAGE

Amazon do not pay the living wage, at FMQ's on the 21 January 2016, [REDACTED] (Lib Dem) indicated that he had received a letter from Amazon which indicated that they paid £7.20 per hour (NMW for over 25s is now £7.50 p/h – no evidence Amazon are not paying this.

Lines to take

- SG fully supports the Living Wage Campaign and recognizes the real difference it can make to the lives of people working in Scotland.
- SG has demonstrated its commitment to paying the Living Wage by becoming an Accredited Living Wage Employer, and were the first government in the UK to do so.
- Although SG is not able to set pay levels in the third and private sectors, or indeed the wider public sector in Scotland where employees are not covered by our pay policy, we encourage every organisation, regardless of size or sector to ensure all

| | |
|------------------------------|--|
| | <p>staff receive a fair level of pay.</p> <ul style="list-style-type: none"> • SG is committed to engaging directly with companies, such as Amazon, in order to get more people paid the Living Wage. • Despite increases to wage levels, UK National Minimum Wage is not a real Living Wage. |
| SUGGESTED QUESTION(S) | <ul style="list-style-type: none"> • Is there a compromise position Amazon could make on other issues e.g. if not able to fully subsidise travel costs is there some way of formally recognise in pay supplements to staff recruited from outside local catchment? • How can the Scottish Government support you to deliver more for your workers? |

| | |
|------------------------------|---|
| AGENDA ITEM 2 | <u>PREPARATIONS FOR CHRISTMAS 2017</u> |
| ISSUE FOR DISCUSSION | <u>Invite Amazon to discuss employment arrangements for the peak Christmas period</u> , so as to avoid a repeat of last year's negative press reporting. |
| SUGGESTED QUESTION(S) | <ul style="list-style-type: none"> • All parties would benefit if measures were taken to address issues that result in high levels of public, media and parliamentary criticism. • To help, I would be happy to visit the Dunfermline Fulfilment Centre in October 2017 to discuss progress and plans in advance of the Christmas period? |
| AGENDA ITEM 3 | <u>AMAZON APPRENTICESHIP PROGRAMME & AMAZON WEB SERVICES RE:START PROGRAMME</u> |
| ISSUE FOR DISCUSSION | <p><u>Invite Amazon to open discussion on their Apprenticeship Programme and re:Start Programme</u> which they requested we add to the agenda.</p> <p>Amazon Web Services re:Start is a training and job placement programme for the UK to educate young adults as well as military veterans, reservists, and their spouses, on the latest software development and cloud computing technologies. Working with QA Consulting, The Prince's Trust, and Ministry of Defence (MoD), it brings together partners to offer work placements to 1,000 people.</p> <p>Lines to take</p> <ul style="list-style-type: none"> • SG welcomes any initiative to help veterans into employment in Scotland. • Service leavers, veterans and their families are an asset to Scotland. • I am passionate about championing the interests of our Armed Forces community to ensure that they receive the best possible levels of support both while serving and when they move on to civilian life. • When they are ready to move onto second careers, they bring with them a wealth of experience and a range of valuable transferrable skills such as team working and leadership; ready-made skills which will be of advantage to a civilian employer. |
| SUGGESTED QUESTION(S) | <ul style="list-style-type: none"> • Can you tell me more about how these programmes apply to Scotland? • How can the Scottish Government support you to deliver more from these programmes? |

BIOGRAPHIES & MINISTERIAL ENGAGEMENT

[REDACTED] **Director of Public Policy**
 is Amazon's Director of Public Policy for the UK and Ireland.
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED] **Public Policy Manager, Amazon UK**
 is the UK Public Policy Manager for Amazon and his main focus is on UK operations.
 [REDACTED]
 [REDACTED]
 [REDACTED]

Recent Ministerial Engagement

You met with [REDACTED], Director of Public Policy in **December 2016** following criticism raised in the press concerning working practices and treatment of employees and requested this follow up meeting.

[REDACTED], then Cabinet Secretary for Fair Work, Skills and Training met with [REDACTED] in January 2016, to discuss their employment practices and planned expansion in Scotland following an exchange in the Chamber during First Minister's Questions on 21 January 2016.

Recent Cancelled Ministerial Engagement

[REDACTED], Minister for Business, Innovation and Energy was scheduled to deliver a keynote speech at the 3rd Amazon Academy Event on Tuesday 23 of May at the Edinburgh International Conference Centre. The event is focused on helping SMEs to understand the opportunities available through exports and how the Amazon Marketplace platform can help them to increase their market reach and sales. **Unfortunately due to parliamentary business the Minister was unable to attend.** [REDACTED], MD – SDI is attending the event and delivering a speech.

AMAZON PROFILE

Scottish Operations

Across the UK Amazon says it employs more than 19,000 permanent staff – more than 2,500 in Scotland. On the 22 January 2016, the company announced its plans to create a further 2,500 jobs across the UK, including potential jobs in R&D and customer service in Edinburgh. No Scottish Enterprise or Scottish Government assistance was provided in relation to the 2500 planned new jobs. Amazon opened its first fulfilment centre in Scotland in Gourock in 2004 and opened its second (largest in UK) in Dunfermline in 2011.

Amazon has received a total of £5,329,046 in grant assistance from the Scottish Government and Scottish Enterprise since 2005. This includes RSA of £1.655 million to establish their facility in Gourock and RSA of £1.4 million to establish the Dunfermline fulfilment centre.

Amazon's Development Centre (Scotland) opened in 2004 in South Queensferry and was Amazon's first dedicated R&D facility outside the US. The Edinburgh teams invent new technologies which operate at high scale with projects such as intelligent advertising. Amazon moved to Waverley Gate in 2011. In March 2016, there were 96 staff members within this department but the site can accommodate up to 300.

Amazon Customer Services in Edinburgh is one of 12 sites globally that support customer service queries from UK customers, and is the only one that is located in the UK. The site opened in August 2011, and in March 2016 it housed around 200 permanent Amazon employees, with a further 44 home workers in Scotland for whom the site is a hub.

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

Sensitivities

- **Amazon Fulfilment centres (Gourock & Dunfermline) do not pay the living wage.**
- **At FMQs on 21 Jan 2016, [REDACTED] MSP indicated he had received a letter from Amazon which indicated that they paid £7.20 per hour.**
- **The company does not operate zero hours contracts in relation to FTE's; however it is unclear whether this extends to its temporary seasonal staff.**

Amazon and creating sustainable careers in Scotland

In 2016, Amazon says it created hundreds of new permanent jobs across all our business areas in Scotland. All permanent employees receive shares in the business, so as the company grows, Scottish employees benefit. It offers engineering apprenticeships and 3-6 month paid placements in areas such as software development. Its Career Choice education programme, which has 1,000 participants across Europe, helps employees build vocational skills. Amazon pre-pays 95% of tuition and associated college fees (up to a yearly maximum of £2,000) for up to four years.

Amazon and Modern Apprentices

See the table below for the number of MAs employed by Amazon as at end of January 2016.

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

NOTE OF MEETING WITH AMAZON, 19 DECEMBER 2016

You visited Amazon's Dunfermline Fulfilment Centre on 19 December and met with [REDACTED] and the Management Team:

Present:

[REDACTED] Cabinet Secretary for Economy, Jobs and Fair Work [REDACTED]
 [REDACTED] Minister for Further Education, Higher Education and
 Science [REDACTED]
 [REDACTED] MP, Dunfermline and West Fife
 [REDACTED] Director of Public Policy, Amazon [REDACTED]
 [REDACTED], Dunfermline Fulfilment Centre [REDACTED]
 [REDACTED] HR Director [REDACTED]
 [REDACTED] Hiring Manager [REDACTED]
 [REDACTED] PR Manager [REDACTED]
 [REDACTED] Deputy Private Secretary, Scottish Government [REDACTED]
 [REDACTED] Scottish Government [REDACTED]
 [REDACTED] Scottish Government [REDACTED]

Note of meeting

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

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

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

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

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

7. [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 [REDACTED] to forward on constituent concerns to Amazon for a direct response

8. [REDACTED] 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 [REDACTED] 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.

FAIRER WORKPLACES

ISSUE: Scottish Government is committed to promoting Fair Work throughout Scotland**Fair Work**

- We appointed an independent **Fair Work Convention** which published its **Fair Work Framework** on 21 March 2016.
- The framework recognises Fair Work as work which offers: Effective Voice, Opportunity, Security, Fulfilment and Respect.
- 399 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.
- The Pledge requires signatories to pay the Living Wage alongside a range of other commitments including on equality, flexible working and avoiding exploitative zero hours contracts.

Living Wage

- Scotland remains the best performing of all four UK countries with the highest proportion of employees paid the Living Wage or more (79.9%) **and the number of Scots-based Accredited Living Wage Employers is now over 900.**
- The new Living Wage Rate of £8.45 per hour and £9.75 for London was announced on 31 Oct 2016. It applies to newly accredited employers from that date and all Accredited Employers from 30 April 2017.
- The new "National Living Wage" rate of £7.50 per hour for over 25s came into effect on 1 April 2017.
- The "National Living Wage" relates to average earnings, not living costs, and is therefore not a Living Wage. Whilst a higher wage level will clearly be of benefit to some low-paid workers, the rise does not support young people under 25, one of the groups most affected by the recession.
- The Living Wage differs in that it is calculated according to the basic cost of living and therefore takes account of the adequacy of household incomes for achieving an acceptable minimum living standard.
- 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.
- Research shows the Living Wage can enhance productivity, reduce absenteeism and improve staff morale.

We have gone further than any other administration to promote fair work through procurement

- **The European Commission has twice confirmed that any requirement on contractors, as part of a 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 Procurement Reform (Scotland) Act requires public bodies with a regulated spend equal to or greater than £5 million to prepare and publish a **procurement strategy** (the first of which was due by 31 December 2016).
- The strategy must **include a statement of their general policy on the payment of the Living Wage** to people involved in delivering public contracts.
- The Act also allowed Scottish Ministers to publish **statutory guidance on Addressing Fair Work Practices, including the Living Wage, in Procurement.**
- **From 1 November 2015 public bodies must now consider, before undertaking a procurement exercise, whether it is relevant and proportionate to include a question on**

fair work practices, including the Living Wage, which can be evaluated as part of the competition.

We oppose exploitative zero hours contracts

- For the period Apr-Jun 2017, Scotland had the 5th lowest proportion of people in employment on a zero-hours contracts of all the countries and regions of the UK¹(Scotland 2.7%, UK 2.8%).
- The proportion of people in employment on a zero-hours contract in Scotland decreased by 0.3 percentage points compared to the same period last year, whereas the proportion for the UK as a whole decreased by 0.1 percentage points.
- The estimated number of people who are employed on a zero-hours contract in Scotland is 71,000 (down 6,000 (compared to the same period last year).
- Through initiatives like the Scottish Business Pledge and actions to promote fair working practices in public procurement, the Scottish Government remains committed to opposing exploitative zero-hours contracts.
- We recognise that zero hours contracts are becoming more prevalent in the labour market, and will work with the Fair Work Convention to help business to promote fairer flexible contracts.

We are committed to supporting strong Trade Unions in Scotland

- There is clear evidence that unionised workplaces have more engaged staff, have a higher level of staff training and a progressive approach to staff wellbeing.
- The Working Together review showed how we can build more progressive industrial relations, between employers, trade unions, and government.
- Our distinct approach, unlike that of the UKG, is based on partnership working as demonstrated through Working Together and the establishment of the Fair Work Convention and our endorsement of their Fair Work Framework.
- We will continue to promote the benefits of fair and inclusive work, including ensuring all employees have an effective voice in the workplace.
- It is our belief that a progressive approach to industrial relations and to trade unionism is at the very heart of a fairer, more successful society. Trade unions are key social partners in delivering our economic and social aspirations.
- We are working with the STUC to limit the impact of the TU Act. In 2017/18, we are providing the STUC with £2.2 million to support trade unions in accessing skills and lifelong learning opportunities that contribute to collective prosperity, fairness and equality for workers across Scotland. We will also provide a further £250,000 to support trade unions to embed fairer work practices in Scottish workplaces. And in addition to this, £100,000 will also be provided for equality representation and leadership development.

¹ ONS have, for the first time, published estimates for NI (which had the lowest proportion of employees on zero hours contracts) although these are considered unreliable.

MODERN APPRENTICES

ISSUE:

- There were **26,262 Modern Apprenticeship starts in 2016/17** - exceeding the annual target of 26,000. In keeping with the Scottish government's commitment to increase MA starts **to 30,000 by 2020**. The target for 2017-18 is 27,000 Modern Apprenticeships starts.
- The UK wide Apprenticeship Levy started April 2017 and is set at a rate of 0.5% to be paid on any employer's pay-bill in excess of £3 million.
- The Scottish Government will receive £221 million in 2017-18 as consequential from the UK Apprenticeship Levy. (This represents a net increase of £42 million in 2017/18 to the Scottish block as a result of the introduction of the Levy. Public sector will contribute approx. £73 million, net result reduction in SG budget approx. £30 million) **This will come to Scotland through the existing Block Grant arrangements.**

The MA report published on 6th of June includes data on achievement of targets for the number of MA starts in financial year 2016/17

- In 2016/17, 76% of starts were aged 16-24, a decrease of 3.9 percentage point compared to last year.
- The majority (66%) of starts were in higher level apprenticeships Level 3 or above, an increase of 0.8 percentage points on last year.
- The largest proportion of starts were in Construction frameworks (22.6%).
- 25.4% of MA starts reside in the 20% most deprived areas of Scotland.
- 20,404 individuals achieved their Modern Apprenticeship – an achievement rate of 78% compared to 76% in the previous year.

To widen and enhance the Modern Apprenticeship, further expansions are being introduced

- Skills Development Scotland (SDS) is working with partners to **deliver Foundation Apprenticeship (FA)**. These combine the benefits of school, college and work-based education for senior phase pupils.
- As part of the drive to improve attainment, Deputy First Minister announced an ambition that by the end of 2019, up to 5,000 young people will start a Foundation Apprenticeship, up from 351 starts during 2016-17.
- We are also working with SDS to expand **Graduate Level Apprenticeships** to 379 opportunities for 2017.
- These apprenticeships will support the in-work development of graduates with initial activity focused on STEM with opportunities in the Engineering, Civil Engineering and Digital sectors.

We are aware that we need to do more to tackle under-representation on the MA programme

- Through Developing Young Workforce, the Modern Apprenticeship Equality Action Plan and the Scottish Funding Council Gender Action Plan we have set out how we will tackle gender imbalances and promote equality of access in relation to subject and career choices. Improving the balance of participants from under-represented groups on the MA programme is not a change that will happen overnight.

The SDS MA Equality Action Plan Year 1 Update was published on 18 July 2017.

- **Within 2016/17 MA figures**, 40% of overall MA starts were female, 0.9 percentage points lower than in 15/16.
- There continues to be an increase in the proportion of female starts to level 3 + each year since 2014/15. This has contributed to a narrowing of the gap in the proportion of male and female starts in higher level frameworks.

- 8.6% of MA starts reported having impairment, health condition or learning difficulty in 2016/17. This is considerably higher than those who reported as disabled in 2015/16 (3.9%).
- The increase is most likely due to improvements in the way that SDS collect data such that the 2016/17 figure should be interpreted as a more accurate indicator of the current position but care should be taken when making comparisons over time.
- 1.7% of MA starts reported being from a minority ethnic group, slightly higher than in 2015/16 (1.6%).

There is not £221m of additional money coming to Scotland through the Apprenticeship Levy.

- While the Apprenticeship Levy will be a new tax on employers, its proceeds will largely be replacing existing apprenticeship funding in England of which Scotland will receive a proportionate share.
- This is a new way of the UK Government raising funds direct from business, a policy they announced in 2015 without consultation with the Scottish Government (SG) or employers.
We estimate that the cost to the public sector in Scotland will be around £73 million p.a.

Our response to the UK Government Apprenticeship Levy, published on 16 December 2016 sets out how we will use the money to support skills and training and employment in Scotland

- In direct response to the views of employers in Scotland, and reflecting on the Apprenticeship Levy consultation responses received we will:
 - continue to expand the number of Modern Apprenticeship opportunities as part of our planned growth to 30,000 new starts each year by 2020 alongside an increase in the number of Graduate Level and Foundation Apprenticeships during 2017-18;
 - continue with the implementation of the Youth Employment Strategy: 'Developing the Young Workforce' including the development of the network of Developing the Young Workforce Regional Groups and the delivery of employment-focused college provision for young people;
 - support measures to tackle structural unemployment issues and challenge inequalities and under-representation in the labour market
 - respond to the immediate skills needs of employers, through:
 - the establishment of a new Flexible Workforce Development Fund for employers; and
 - ongoing and sector-specific skills support for priority sectors in the economy such as digital, care and early years.
 - To ensure the MA programme better meets the needs of the Scottish economy, measures were introduced in April 2017 and include: A new supplement for training providers delivering in rural areas; removal of public sector eligibility restrictions, meaning, public sector employers now have the same access to Modern Apprenticeship funding; an increase in the number of Modern Apprenticeships Frameworks supported for apprentices aged over 25; and, enhanced contribution rates for disabled people and those with experience of care up to the age of 29.

Employers in Scotland are to benefit from a new £10 million skills fund, launched 7 September 2017.

- The Flexible Workforce Development fund will be 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 new fund has been developed with the input of employers including the industry-led Scottish Apprenticeship Advisory Board and shaped by College Scotland, the Scottish Funding Council and SDS.

Meeting with Amazon
19 September 2017

Note of meeting

Present:

██████████ MSP, Cabinet Secretary for Economy, Jobs and Fair Work ██████████
██████████ Director of Public Policy, Amazon ██████████
██████████ Public Policy Manager, Amazon UK ██████████
██████████, Deputy Private Secretary, Scottish Government ██████████
██████████ Unit Head, Scottish Government ██████████

Note of meeting

1. ██████████ opened by explaining that SG welcomed the jobs that Amazon brought to Scotland and took the view that it was better to engage companies constructively in developing fair work policies beyond the minimum standards through direct dialogue rather than through stories reported in the press. ██████████ explained how paying the real Living Wage can benefit companies. Key point was to move the agenda on positively, avoid the issues that were reported in the press last Christmas. ██████████ asked for an update from Amazon on the issues discussed at the previous meeting in December 2016, emphasising the Scottish Government's position on recognising Trade Unions and payment of the real Living Wage.
2. ██████████ explained that payment of the real LW would be part of what would probably be a pan-European decision by Amazon on wage levels, but agreed to raise this again. ██████████ clarified that all staff get paid the National Living Wage of £7.50 an hour as a minimum, with most staff earning over £8.00 per hour. ██████████ pressed on whether a regional supplement could be applied in Scotland, such as operates in London and the surrounding area. ██████████ acknowledged that Amazon to operate some regional flexibility around London, but this was to reflect the higher cost of housing. Specifically, ██████████ also informed ██████████ that Amazon will this year be providing an increased subsidy for workers requiring bus travel for the West. Costs are in excess of £20 per head and last year staff paid £10 for the return bus journey. This year they will pay £4. ██████████ welcomed this as it was one of challenges he raised in December.
3. On Trade Union recognition, ██████████ confirmed that Amazon does not have TU recognition agreements, but there are no barriers put in the way of staff to joining should they wish to. ██████████ added that Unions are not approaching Amazon in terms of representation in the workplace and there are strong employee management relations and structures which ensure that employee voices are heard. Management responses to any concerns and performance issues are posted each week so there is clear evidence of listening, engaging and responding to employee concerns. Employees have not therefore sought that TU and management relationship structure.
4. ██████████ also took the opportunity to brief ██████████ on a couple of other initiatives that Amazon was taking forward. The first was on supporting veterans back into work through their Restart programme. Amazon offer a six week training programme to help ex-servicemen (and their spouses) get themselves job ready, support through a placement. Amazon are looking for partners in Scotland and ██████████ highlighted opportunities such as the lack of HGV drivers, that perhaps this scheme could help address.

5. [REDACTED] also explained a little about Amazon's apprentice ship programme where they have employed well over 100 hundred staff mainly in respect of freight and logistics. [REDACTED] suggested that it might be useful to set up a meeting and a visit with [REDACTED] focused around veterans and the broader training and apprenticeship support that Amazon offer to explore opportunities where SG might be able to engage.

6. It was agreed that Scottish Government and Amazon should continue to build an effective working relationship and that officials would be in touch to organise a further meeting in regard to veterans, apprenticeships and helping Amazon make progress on consideration of becoming an accredited Living Wage Employer.

Action: Scottish Government

September 2017

[Redacted]

From: [Redacted] on behalf of Cabinet Secretary for Economy, Jobs and Fair Work
Sent: 21 December 2017 10:05
To: [Redacted]
Cc: Cabinet Secretary for Economy, Jobs and Fair Work
Subject: For the attention of Ms [Redacted]

Dear [Redacted]

Please see attached a letter from [Redacted] Cabinet Secretary for Economy, Jobs and Fair Work.



u417077_21-12-...

Kind Regards,

[Redacted]
Deputy Private Secretary
Cabinet Secretary for Economy, Jobs and Fair Work
The Scottish Government,
Edinburgh

[Redacted]
[Redacted]
[Redacted]

Cabinet Secretary for Economy, Jobs and Fair Work
[REDACTED]



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

[REDACTED]
Director of Public Policy
Amazon
Email: [REDACTED]

21 December 2017 [REDACTED]

I have been alerted to press reports of delivery drivers operating on behalf of Amazon being allegedly subjected to unfair and in some cases illegal working practices.

In particular, there have been reports that drivers are being paid below the national minimum wage; are working longer than the legal 11 hours a day; and are under such pressure to meet delivery targets that they do not take breaks.

While I understand from what I have seen that the drivers are not directly employed by Amazon and that the cases reported in the press relate to the Sheffield depot operations, I am sure you will agree that any breach of the law is unacceptable and that any driver carrying out work on behalf of Amazon should receive fair pay and conditions.

When we last met, I reiterated that while Amazon has brought many jobs to Scotland, the Scottish Government wants to ensure these jobs are of good quality and provide pay rates in keeping with our ambition to see the real Living Wage replace the national minimum wage. As such, I would very much welcome confirmation that delivery drivers operating on behalf of Amazon in Scotland are being treated fairly and not being subjected to exploitative and potentially illegal working practices by partner agencies. Also, if you do discover any evidence of unfair or illegal working practices that you will act immediately to remedy the situation.

I look forward to hearing from you.

[REDACTED]

[REDACTED]

Cabinet Secretary for Economy, Jobs and Fair Work
[REDACTED]



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

[REDACTED]
Director of Public Policy
Amazon

Email: [REDACTED]

23 May 2018

Dear [REDACTED]

I am aware that work is on-going on a number of issues we discussed when we met last September and I am keen to follow up on progress to date.

I would be grateful if you could please contact my Assistant Private Secretary [REDACTED] [REDACTED] at [REDACTED] or phone [REDACTED] to make the necessary arrangements.

I look forward to hearing from you.

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: 31 October 2018 12:48
To: Minister for Business, Fair Work and Skills
Cc: [REDACTED]
[REDACTED]
[REDACTED]
Subject: Briefing for [REDACTED] meeting with Amazon
Attachments: Draft briefing for Amazon meeting 011118.docx

Hi [REDACTED]

Please find attached briefing for [REDACTED] meeting with [REDACTED], Amazon, tomorrow morning.

As we discussed I have updated the comprehensive pack that was provided when [REDACTED] met with Amazon in June this year.

Please let me, or the relevant official know if you would like any further information.

Regards

[REDACTED]

[REDACTED] | Fairer Workplaces Unit | Scottish Government | [REDACTED]

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

| | |
|---|--|
| What | MEETING WITH ██████████, PUBLIC POLICY, AMAZON |
| Where | Room T3.06 Scottish Parliament |
| When | 10.15 – 11.00 1 November 2018 |
| Key Message(s) | Fair Work is work that offers Respect, Opportunity, Security, Effective Voice and Fulfilment; |
| Who | ██████████ Amazon |
| Why | Amazon to raise hourly rates paid to workers, the rise for workers in Scotland, which will take effect from 1 November 2018, is from £8.00 to £9.50 per hour. Following this announcement Minister for Business, Fair Work and Skills wrote to Amazon asking to meet with them to discuss the wider Fair work agenda, this will include total reward packages. |
| Supporting official | ██ |
| 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: Labour Market Stats</p> <p>Annex S: Developing the Young Workforce: Scotland's Youth Employment Strategy</p> |
| Media Handling | N/A |
| 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;***
 - ***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***

Agenda Item 2: Update from Amazon on Fair Work

- Amazon have updated us on actions they are undertaking which align with the Fair Work Framework's 5 dimensions.

There are questions below each statement you may wish to ask [REDACTED]

Effective voice – Amazon has a number of internal mechanisms to support employee engagement and voice - Associate Forums, Voice of the Associate, Champion of the Associate, Connections, monthly roundtables

Q - role of Unions in workplace in bargaining and skills development.

Opportunity – Alongside numerous opportunities to develop a career in Amazon's - our Career Choice program helps train fulfilment centre employees for in-demand jobs in the wider economy. The program pre-pays 95% of tuition for courses (up to £2000 per year for up to 4 years in the UK)

Q - Interesting model – opportunities to use this alongside the funding that is available through Apprenticeship Programme and Flexible Workforce Development Fund?

Security – Amazon currently employs more than 2,500 staff in Scotland, at its two fulfilment centres in Gourrock and Dunfermline; in the Edinburgh development centre; the Edinburgh customer service centre; delivery stations in Motherwell, Edinburgh and Dundee; and the Prime Now distribution site in Glasgow.

There are no zero hour contracts. Permanent employees have a comprehensive benefits package, including private medical insurance, life assurance, income protection, subsidised meals and an employee discount, which combined are worth more than £700 annually, as well as a company pension plan with enhanced employer contributions

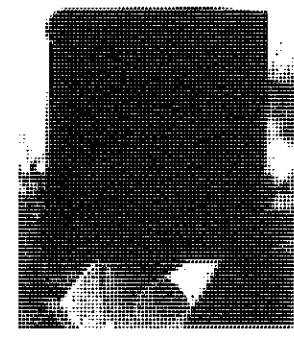
Q - What percentage of permanent and temporary staff employed by Amazon in Scotland? What are the working conditions of those temporary staff?

Fulfilment – With hundreds of different roles in Amazon's offices and fulfilment centres across the United Kingdom, there are multiple opportunities to support career development in Amazon. More widely - regular events driven by employees such as family days, local charity support and a variety of workplace affinity groups all seek to make working at Amazon an engaging experience

Q - Do you have any destination stats for people progressing in Amazon or leaving to other jobs?

BIOGRAPHIES & MINISTERIAL ENGAGEMENT

[REDACTED]



[REDACTED] has responsibility for public policy in the UK for Amazon – focussing mainly on the retail operations side of the business. He also leads on labour, employment and skills policy issues across the EU for the company. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Recent Ministerial Engagement

- [REDACTED] met with [REDACTED] Director of Public Policy in **June 2018, September 2017** and in **December 2016**. Annex D contains a note of this meeting.
- [REDACTED] then Cabinet Secretary for Fair Work, Skills and Training met with [REDACTED] in January 2016, to discuss their employment practices and planned expansion in Scotland following an exchange in the Chamber during First Minister’s Questions on 21 January 2016.

FOI Requests

- Fol/18/03124 – [REDACTED] - Deadline: 19/11/2018 - Asks for all briefing documents created in advance of the meeting between former Cabinet Secretary for the Economy, Jobs and Fair Work, [REDACTED] and Amazon on 26 June 2018, including list of everyone present at the meeting, its location, and any notes/ minutes/ action points taken.
- Fol/18/01972 – [REDACTED] - Responded 17/08/18 – Asking for agendas and minutes of the ~~meeting between~~ former Cabinet Secretary for the Economy, Jobs and Fair Work, [REDACTED] and Amazon on 19 December 2016 including any letters, emails, briefings, and notes of conversations (including telephone) pertaining to the meeting.

AMAZON AND THE LIVING WAGE

ISSUE: 3 Oct 2018 – Enquiry from Daily Record that while Amazon intends to raise the hourly rate for workers to £9.50 an hour from November 1 this will be negated by them removing the rights of workers to shares in the company for their service.

GMB, the union for Amazon workers, hit out at the global retail giant after it emerged a pay increase announced yesterday for its workforce would be offset by the removal of employee share and incentive schemes, costing some workers £1,500 in a single year.

GMB General Secretary, said: "Amazon did their PR blitz yesterday without mentioning a dicky bird about cutting staff benefits. This is a basically a stealth tax by the employer on its own wage increase - a clear case of robbing Peter to pay Paul.

Issue: 2 Oct 2018 - BBC website details Amazon to raise hourly rates paid to workers in the United States, the UK, this includes the two thousand two hundred workers based in Scotland. The rise for workers in Scotland, which will take effect from 1 November 2018, is from £8.00 to £9.50 per hour.

Following this announcement **Minister for Business, Fair Work and Skills** wrote to Amazon asking to meet with them to discuss the wider Fair work agenda, this will include total reward packages.

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 [REDACTED] 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. [REDACTED] 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."

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

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 Gourrock 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: Gourrock – 22 (19*); and Dunfermline – 98 (54*) (*taken to hospital).

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 welcomed the 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 (80.6%) ahead of England (77.1%), Wales (74.0%) and NI (72.3%) and the UK (77.2%).
- 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 proportion of people on zero hours contracts (2.4%) is the same as for the UK, and decreased by 0.3 percentage points over the year.
- Our statutory guidance on Addressing Fair Work Practices in Procurement reinforces 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

"MSF [REDACTED] 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, [REDACTED] MP criticised [REDACTED] MP for condemning Amazon's practices while his book, 'Socialism and Hope', was being promoted on Amazon.
- *"Welsh Government funded Amazon in Wales uses recruitment company to hot-bunk Hungarian workers", UKIP Online, 23 November 2016*
- [REDACTED], 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.

NOTE OF MEETING WITH AMAZON, 19 DECEMBER 2016

You visited Amazon's Dunfermline Fulfilment Centre on 19 December and met with [REDACTED] and the Management Team:

Present:

[REDACTED] MSP, Cabinet Secretary for Economy, Jobs and Fair Work [REDACTED]

[REDACTED] MSP, Minister for Further Education, Higher Education and Science [REDACTED]

[REDACTED] MP, Dunfermline and West Fife

[REDACTED] Director of Public Policy, Amazon [REDACTED]

[REDACTED] Dunfermline Fulfilment Centre [REDACTED]

[REDACTED], HR Director [REDACTED]

[REDACTED] Regional High Volume Hiring Manager [REDACTED]

[REDACTED], Senior PR Manager [REDACTED]

[REDACTED] Scottish Government [REDACTED]

[REDACTED] Scottish Government [REDACTED]

[REDACTED] Scottish Government [REDACTED]

Note of meeting

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

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

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

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

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 [REDACTED]. [REDACTED] described some of the systems in place to identify issues, secure feedback from staff and establish a dialogue with management which includes a connexions daily survey.

7. [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 – [REDACTED] to forward on constituent concerns to Amazon for a direct response

8. [REDACTED] 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 – [REDACTED] 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.

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:

[REDACTED] – SG's Defence Policy Unit
[REDACTED] – SG's Defence Policy Unit
[REDACTED] – SG's Defence Policy Unit
[REDACTED] – CTP
[REDACTED] – SDS
[REDACTED] – Amazon, [REDACTED]
[REDACTED] – Amazon [REDACTED]
[REDACTED] – Weber Shandwick.

By Telephone Link:

[REDACTED] – SG's Employability Policy [REDACTED] Head of NEET Prevention and Intervention Policy
[REDACTED] – SG's Employability Policy Unit, [REDACTED]

- 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.
- [REDACTED] coordinates the AWS re:Start initiative. [REDACTED] 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 [REDACTED] 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.
- [REDACTED] 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.

[REDACTED] Defence Policy Unit, June 2018

ANNOUNCEMENT: 9 Oct FM announces adoption of default position – Fair Work First – at the SNP Conference

ISSUE: The Herald (28 October) investigation into the 'gig' economy, precarious and insecure employment in Scotland finds at least 10% of Scottish workforce (259,000 people) are in insecure employment.

ISSUE: The National (23 September) Councils are urged to adopt 'economy boosting' living wage. Local authorities in Scotland being urged to pay the real living wage following the Smith Institute report.

ISSUE: Daily Record (17 Sept) identifies Amazon as an employer which has consistently adopted unfair working practices and failed to pay the Living Wage despite meetings with Ministers and officials. It also highlights the new PFG commitment to introduce fair work criteria to Scottish Enterprise job-related grants, starting with grants offered in 2019-20, as a way to tackle the issue. Article was retweeted by Senator Bernie Sanders.

ISSUE: Sunday Herald article questions Scottish Trades Union Congress's independence given level of funding from Scottish Government for the "Scottish Union Learning" initiative".

ISSUE: ██████████ MSP asked 4 PQs about Fair Work in public procurement and the use of collective agreements. ██████████ MSP has asked 5 similar PQs.

ISSUE: ██████████ MSP asked PQ seeking Scottish Government's position on awarding grants or funding to organisations that have been found by an employment tribunal to have discriminated against, harassed, or victimised an employee due to employee's gender.

Fair Work First

- Harnessing the financial power of Government in the absence of employment powers, by the end of this parliament, we will extend Fair Work criteria to as many funding streams, business support grants and public contracts as we can.
- This means investment in skills and training; no exploitative zero hours contracts; action on gender pay; genuine workforce engagement, including with trade unions and payment of the real Living Wage.
- Grahame Smith STUC General Secretary commented:
"We welcome the commitment made today [9 Oct] at the SNP Conference.
"We look forward to working with the Government and its agencies on the implementation and monitoring of this policy to maximise the impact for Scottish workers."

AMAZON

We were unaware of the proposal to remove the right to shares for Amazon staff

- We became aware of this after the trade unions commented on it.
- The Minister for Business, Fair Work and Skills wrote to Amazon seeking a meeting to discuss issues around the wider Fair Work agenda.
- We will use that opportunity to raise these concerns.
- We believe that all workers should get a fair day's pay for a fair day's work and would ask employers to consider the wider benefits of treating their workers fairly.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

We are taking action to align Fair Work and business support

- As announced in the Programme for Government, we will introduce fair work criteria to Scottish Enterprise job-related grants in 2019-20.
- This will focus on grant recipients paying living wage, not using exploitative zero hours contracts and meeting requirements to publish gender pay gap data.

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, improve staff morale.
- Scotland remains the best performing of all 4 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%.

There are now just under 1300 living wage accredited employers in Scotland.

- Over the next 3 years we are committed to supporting 25,000 additional workers who do not currently do so to receive the Living Wage through Living Wage Accreditation.
- We continue to support the Poverty Alliance to deliver Living Wage Scotland and are providing £340,000 in 2018-19 to support them to uplift a further 7,500 workers across Scotland to at least the Living Wage rate;
- The recent Smith Institute Report confirms that fair work practices are good for workers, good for business and for the economy;
- The Scottish Government encourages every employer, including Local Authorities, to reward their staff fairly, and where possible to pay the real Living Wage - this is why we support the real Living Wage Campaign;

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.

Staff in public sector (local authority) ELC settings already receive the Living Wage.

We are committed to supporting strong Trade Unions in Scotland for the benefit of workers and our economy

- We have committed £2.262 million to support workforce development through Scottish Union Learning in 2018/19.
- The conditions of grant to the STUC make clear that this funding is specific to delivering union-led learning.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- In 2017/18, our funding towards Scottish Union Learning benefited over 3000 learners across Scottish workplaces including non-union members.
- Scottish Union Learning links strongly to our fair work agenda; projects supported by the fund must align with the Fair Work Framework.
- We have committed to a third year of funding £250,000 in 2018/19 to STUC to help unions embed the Fair Work Framework in workplaces in Scotland.
- We vehemently opposed the UKG Trade Union Bill which presents a direct threat to the fundamental rights of workers.
- Working with the STUC to develop guidance to make UK Government Facility Time Reporting requirements on public bodies more efficient.
- The guidance ensures that facility time data is set in the context of the benefits that trades unions bring to both employers and workers across Scotland.
- Working with the STUC, we are developing a Fair Work Adverse Weather Charter to guide employers in adopting fair work practices, in responding to severe weather and other emergency situations.

Although employment law is currently a reserved matter, the Scottish Government is actively promoting fair work principles across all employers, in both the public and private sectors

- Neither the UK Government, nor the Scottish Government have the power to legally mandate a collective agreement.
- Public bodies must have regard to the Statutory Guidance on Addressing Fair Work Practices, including the Living Wage, in Procurement. It requires public bodies to consider, before undertaking a procurement exercise, whether it is relevant and proportionate to include a question on Fair Work, along with other relevant criteria.
- We expect contractors who deliver public contracts to demonstrate fair work practices, for example, how they comply with relevant collective agreements.
- In July 2018, we published best practice guidance and a toolkit to support the practical application of the Statutory Guidance.

We condemn the use of exploitative business models

- We firmly oppose exploitative zero hours contracts and other non-standard types of employment that offer workers little or no job security.
- Zero Hour Contracts fall under employment law and is reserved to the UK Government.
- 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 estimated number of people employed on a zero-hours contract in Scotland continues to fall.
- HMRC have indicated that identifying those people on zero hours contracts, including school leavers, is not possible within current systems.
- We are exploring how we can enable more accurate monitoring and reporting of the use of zero hour contracts within the Scottish workforce.
- Through initiatives such as the Scottish Business Pledge, we are seeking to eliminate the use of exploitative Zero Hour Contracts.

Scotland is ahead of the curve in 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 demonstrate their commitment to Fair Work, employee engagement and boosting productivity.
- 503 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 2018.

Where fair work is not 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.
- 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 made 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.


Fair Work and Skills Division
June 2018

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 (80.6%).
- Ahead of England (77.1%), Wales (74.0%) and NI (72.3%) and the UK (77.2%).
- 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 |

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 is clear that:
 - a positive approach to fair work practices can have an impact on the quality of services, goods and works.
 - the Scottish Government considers that the payment of the Living Wage is a significant indicator of an employer's commitment to fair work practices
 - 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.

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.


Fair Work and Skills Division
October 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. [REDACTED], OECD Secretary General, 2015²)
- The IMF note that tackling inequality is not only a social imperative; it is critical for sustaining growth³.
- The economist [REDACTED] 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 9.6% which is lower than the UK's rate (12.1%).
- Scotland's female employment rate is higher than the UK (71.2% v 71.0%), and its female unemployment rate is lower than the UK (3.2% v 4.0%).
- Scotland is the best performing of all the four UK countries in terms of paying the real wage at 80.6%.

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.

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?*

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- 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.
- 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 [REDACTED]** 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.”*

[REDACTED]
OCEA: Economic Strategy & Inclusive Growth

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.
- By making their Pledge companies demonstrate their commitment to these values and to deliver them through their actions and future plans.
- Review of the Business Pledge is ongoing – exploring options to refresh in response to business-led feedback

Key Facts

- Currently **549** Pledges already made by businesses, representing around **0.3%** of **Scotland's registered business** base, that is approximately 3 in every 1000 registered businesses.
- Business Pledge businesses collectively provide **102,930 Scottish jobs**, **4.1%** of all jobs.
- Majority of businesses who have made a commitment to the Pledge are SMEs .
- Pledge businesses have a **total of 1340 business sites across Scotland**, and one third of these are situated in Glasgow City and Edinburgh.
- **93%** of the 110 companies who completed the recent survey (published on 27 March) **said they would recommend it**. **66 per cent** reported a positive impact on their business as a result of signing up, **with 25 per cent** of respondents indicating **increased competitiveness and 10 per cent increased productivity**.
- I remain absolutely committed to the Pledge - and the Real Living Wage, which will always be at its heart.

Review of the Scottish Business Pledge

- Review of the Scottish Business Pledge (SBP) announced 22 March, in response to the survey report (published on 27 March) and increased political interest.
- Over the summer feedback was gathered directly from businesses from a wide range of business sizes, sectors and geographies – 12 roundtables with 123 attendees and 22 in-depth interviews.
- Work continues to analyse and develop options for implementing the key proposals around promotion of the SBP, increasing business involvement, ensuring that the SBP remains current for business and increasing the level of support offered by Scottish Government to meet SBP elements.
- Paying real Living Wage is at heart of SBP and was outside the scope of the review. Similarly, the development of the Scottish Government Fair Work Action Plan will look at public funding and how it can better support businesses that demonstrate fair work practices.

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

Contact: [REDACTED], Enterprise and Cities, [REDACTED]

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.
- We are delivering more Apprenticeships in Scotland than ever before with a record number of starts in 2017/18.
- Official statistics published on 12 June 2018 show there were 27,145 Modern Apprenticeship starts in 2017/18.
- This is an increase on 2016/17 levels (26,262) and also exceeds our annual target to provide 27,000 starts.
- 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.
- This will for the first time include Graduate Apprenticeships and continue to prioritise higher level training and STEM subjects.

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).
- The Scottish Government will receive £230 million in 2018-19 as consequentials from UK wide Apprenticeship Levy. However these consequentials 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.

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.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- 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.
- Skills Development Scotland (SDS) published its Apprenticeship Equality Action Plan (EAP) Year 2 update on Wednesday 8 August 2018.
- 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.
- 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.
- The 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

- The Scottish Government recognises there may have been initial confusion in what the introduction of the Levy means for devolved nations.
- Introduction of the UK Apprenticeship Levy is a UK Government tax imposed across the UK including devolved nations where skills and training policy is devolved.
- Scottish Government receives a per capita share of the estimated Levy receipts and we have been clear this largely replaces monies previously received.
- From the outset, we have been clear we will continue to invest in skills, training and employability to meet the needs of employers, the workforce, young people and Scotland's economy.
- This year we are continuing our commitments to deliver on what Scotland needs and will build on our strong and successful skills system.
- We are increasing our investment in all apprenticeships; early years recruitment and training and employability programmes to name a few.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- In December 2016 the Scottish Government announced the introduction of a Flexible Workforce Development Fund (FWDF) to provide employers with workforce development training to up-skill and re-skill their existing workforce. The FWDF was in direct response to feedback from the Scottish Government's consultation on the introduction of the UK Government Apprenticeship Levy.
- The Scottish Government allocated £10 million for the FWDF in its first pilot year 2017-18. This funding was distributed amongst regional colleges/strategic bodies across Scotland by the Scottish Funding Council (SFC). The Scottish Government will again provide £10 million for the FWDF for a second year in 2018-19 for a similar distribution by SFC.

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]

- In England there have been 369,700 apprenticeship starts reported to date between August 2017 and July 2018 for the 2017/18 academic year, and provides the provisional full year number of starts for the 2017/18 academic year.
- This compares to 491,300 and 503,700 reported in the equivalent period in 2016/17 and 2015/16 respectively. This represents a fall of 24.75% in Apprenticeship starts in England than in 2016/17 and a fall of 26.6% in Apprenticeship starts than in 2015/16.
- Of the 369,700 English apprenticeship starts reported so far in 2017/18, 161,700 were on English apprenticeship standards.

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 our Apprenticeship family of offerings and we need to align Apprenticeship 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 Apprenticeships in Scotland – Background

- In response to Developing the Young Workforce (DYW) recommendations, Skills Development Scotland (SDS) published its Equalities Action Plan for 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 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.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- 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 Apprenticeships 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 report on this annually.


Fair Work and Skills Division

October 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 of £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 later this year.
- 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

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

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.

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.
- 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.
- The first Annual Report of the STEM Strategy will be published in late November or early December and will highlight progress made against the Strategy Key Performance Indicators.


Curriculum Unit


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 [REDACTED]
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

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

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

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.

| | 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% | |

Gender Pay Gap FMQ

25 October 2018 – publication of the Annual Survey of Hours and Earnings (ASHE) data for 2018.

Top Lines

- Equality for women is integral to the Scottish Government's inclusive growth vision.
- Our Programme for Government makes clear our determination to reduce gender inequality and improve the position of women in the workplace.

Figures released on 25th October show that our approach is working.

- The gender pay gap for full-time employees in Scotland has decreased from 6.6% in 2017 to 5.7% in 2018 and in the UK it has decreased from 9.1% to 8.6%.
- The gender pay gap for all employees in Scotland has decreased from 16.0% in 2017 to 15.0% in 2018 and in the UK it has decreased from 18.4% to 17.9%.
- We are delighted that the gender pay gap for full-time employees has decreased from 6.6% in 2017 to 5.7% in 2018.
- The lowest gender pay gap on record for Scotland and lower than the UK pay gap of 8.6%.

It is clear that we need to continue to work hard to eliminate the gender pay gap.

- The Scottish Government has established a Gender Pay Gap Working Group that includes stakeholders such as Close the Gap, Engender and STUC.
- The working group will help to inform the development of Scottish Government's Gender Pay Gap Action Plan which is due for publication by the end of 2018.
- We are providing £205,000 to Close the Gap for July 2018-June 19 to challenge and change employment practices and workplace cultures.
- 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 improved transparency by lowering 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.

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

- To tackle the gender pay gap, raise family incomes and grow our economy we need to support the women who have taken a break from paid work back into jobs that match their skills and experience.
- I announced in our Programme for Government that we will invest £5 million over the next three years to support around 2,000 women to return to work.
- The Minister for Business, Fair Work and Skills 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.
-

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- We are working in partnership with ACAS to host a series of employer training events across Scotland on maternity and the rights and responsibilities for both employers and employees, before, during and after pregnancy.
- We are providing £159,000 - 2018-19 to Family Friendly Working Scotland Partnership to support and promote development of family friendly workplaces.

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.
- We will implement the Gender Representation on Public Boards (Scotland) Act 2018 which sets an objective for listed public boards to have 50% of non-executive members who are women.
- We will provide guidance on the new requirements for women's representation on public boards, making Scotland the only part of the UK to have this standard.
- 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. 219 organisations have signed up to date.

The Scottish Government is leading the way on reducing the pay gap between male and female staff.

- The Scottish Government gender pay gap as at 31 March 2018 on a mean average basis was 4.63%. This is down from 6.3% in 2015.
- This 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%).
- The Scottish Government's gender pay gap median figure is 2.68% as at 31 March 2018. The overall UK civil service median gender pay gap is significantly higher at 12.7%.
- The percentage of women in the Senior Civil Service has also increased 5% to 44% since 2014.
- 45% of the successful candidates in the Scottish Government's 2016 Deputy Director Promotion Board were female.


Fair Work Division


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 12.8% 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 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

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

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.

██████████ | Fair Work and Skills Division | June 2018

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.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

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.

 Better Life Chances Unit, June 2018

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.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- 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.

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.

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.



LABOUR MARKET

Latest Office for National Statistics Labour Force Survey Results [published Tue 16 Oct for Jun to Aug 2018]:

- **Performance over the year:** Scotland's employment level and rate fell. The unemployment level and rate also fell and inactivity level and rate rose.
- **Over the quarter,** Scotland's employment level and rate fell. The unemployment level and rate also fell and the inactivity level and rate rose.
- **Compared to the UK,** Scotland's employment rate is lower (74.9% vs 75.5%), unemployment rate lower (3.9% vs 4.0%) and inactivity rate higher (22.0% vs 21.2%).
- **Outperforming the UK:** Scotland outperforms the UK on overall unemployment and on employment and unemployment rates for women and young people.

Markit Report on Jobs: Scotland [published Fri 05th Oct for Sep 2018]:

- Permanent staff placements in Scotland continued to increase in September and have increased for 20 consecutive months.
- Demand for permanent staff in Scotland increased in September and at a faster rate of growth than the UK as a whole.

Top Lines (all employment data quoted is Office for National Statistics, Labour Force Survey, June – August 2018)

- The latest Labour Market Statistics show Scotland's unemployment rate fell by 0.5 percentage points over the quarter, to 3.9%.
- At 3.9%, Scotland's unemployment rate is lower than the UK's (4.0%) and remains close to its record low of 3.8%.
- Scotland's employment rate for women (71.2%) is higher than the UK's (71.0%).
- Scotland's unemployment rate for women (3.2%) is lower than the UK's (4.0%).
- For young people, Scotland has a higher employment rate than the UK (57.9% vs 56.0%).
- Scotland's unemployment rate for young people (9.6%) is lower than the UK rate (12.1%).
- Scotland's inactivity rate for young people (36.0%) is lower than the UK rate (36.3%).
- Compared with the same time last year, there are 24,000 fewer people in temporary work in Scotland.
- There is a lower proportion of people in employment on zero hours contracts in Scotland (2.4%) than in England (2.5%) or Wales (2.5%).

Headline Labour Market Indicators for Scotland and UK – Jun to Aug 2018

| | Indicator | Rate (%) | Change (%pt) over | | Level ('000) | Change (000's) over | |
|----------|--------------|----------|-------------------|------|--------------|---------------------|------|
| | | | Quarter | Year | | Quarter | Year |
| Scotland | Employment | 74.9 | -0.5 | -0.3 | 2,836 | -11 | -20 |
| | Unemployment | 3.9 | -0.5 | -0.2 | 108 | -4 | -7 |
| | Inactivity | 22.0 | 0.9 | 0.5 | 749 | 30 | 14 |
| UK | Employment | 75.5 | -0.1 | 0.4 | 32,394 | -5 | 289 |
| | Unemployment | 4.0 | -0.1 | -0.3 | 1,363 | -47 | -79 |
| | Inactivity | 21.2 | 0.2 | -0.2 | 8,748 | 103 | -65 |

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+.

Scotland outperforms the UK on labour market outcomes for women:

- Scotland's employment rate for women (71.2%) is higher than the UK's (71.0%).
- Scotland's unemployment rate for women (3.2%) is lower than the UK's (4.0%).

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

- Scotland's employment rate for young people is higher than the UK's (57.9% vs. 56.0%)
- Scotland's unemployment rate for young people (9.6%) is lower than the UK's (12.1%).
- Young people in Scotland have a lower inactivity rate than in the UK (36.0% vs. 36.3%).

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.
- 5,527 people facing labour market barriers were supported by these services between April 2017 and March 2018.
- As of June 2018, over 1,700 participants had entered employment with 592 participants achieving a sustained job outcome lasting at least 6 months.
- We are now delivering a new distinctly Scottish programme of employment support, Fair Start Scotland, which began in April 2018.
- Over the next three years, Fair Start Scotland will provide employment support to at least 38,000 people who face barriers to employment.
- We have also committed £12m to an intensive parental employment support service to help low income parents gain employment and progress in careers.

MINISTER FOR BUSINESS, FAIR WORK AND SKILLS

- We will continue to work to support employment and to develop the right economic environment for job growth.
- Our 2018/19 Programme for Government includes commitments on the Scottish National Investment Bank and Manufacturing Institute and a commitment to the biggest infrastructure spending Scotland has ever seen.

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, 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.

Note of meeting with Amazon, 1 November 2018

Present

[REDACTED] Minister for Business, Fair Work and Skills [REDACTED]
[REDACTED] Public Policy, Amazon [REDACTED]
[REDACTED], Scottish Government [REDACTED]

Note of meeting

1 [REDACTED] opened the meeting and asked for some background to Amazon's recent decision to increase pay rates in the UK to £9.50 ph outside London. [REDACTED] explained that pay rates and conditions of employment are kept under constant review and this decision had followed extensive discussions within Amazon. The drivers for the recent change included a strong labour market in UK and North America, reaction to external perceptions and a need to recruit and retain staff.

2. [REDACTED] asked for some additional information on the reaction of the trade unions who claimed that some workers has lost out because other benefits, including a share options scheme, had been withdrawn. [REDACTED] accepted that some benefits had been removed but that those had effectively been included in the new higher hourly rate. [REDACTED] offered an assurance that any benefits accrued under the previous share ownership scheme would be fully protected and that Amazon are looking at other options that will allow staff to buy shares. [REDACTED] pointed out that all staff would gain under the new arrangement and that the new rate was payable to all staff including young people and those on temporary contracts. [REDACTED] welcomed this additional information and suggested that Amazon consider seeking accreditation as living wage employer. [REDACTED] agreed that if the Scottish Government made a formal request that he would ensure that this was considered seriously by Amazon. [REDACTED] also asked to be kept up to date on the development of the new share purchase scheme.

Action 1 – SG to write to Amazon suggesting that they explore living wage accreditation.

3. [REDACTED] asked about Amazon's commitment to develop the skills of their staff. [REDACTED] described Amazon's offer to develop people for progression within the business or elsewhere. This included a commitment to the Career Choice programme that offered all staff working for Amazon for more than 12 months up to £2,000pa for up to 4 years to support vocational learning. This offer to support upskilling was available to all staff even if they felt that their future career was outside Amazon.

4. [REDACTED] offered an update on the work at a UK level around the Care Covenant and outlined Amazon's desire to do more to support people in Scotland who are furthest from the labour market. [REDACTED] described the development of our Action Plan to get more disabled people into work and outlined the crucial role that employers will play. [REDACTED] suggested that an additional strand of activity would be to link with the industry led DYW groups that are focussed on improving the link between young people in school and employers.

Action 2 – Scottish Government officials to discuss potential role for Amazon in delivering the action plan and to facilitate engagement between Amazon sites and regional DYW Groups.

5. [REDACTED] talked about how Amazon was working in England to ensure that their contribution to the UK Government Apprenticeship Levy was utilised by Amazon or by their supply chain. [REDACTED] understood that the way that the Levy was distributed meant that a similar arrangement could not apply in Scotland. [REDACTED] encouraged Amazon to publicise the opportunities available through the apprenticeship programme to their supply chain. [REDACTED] also encouraged Amazon to explore the option of developing Graduate Level Apprenticeships with SDS

Action 3 – Amazon to explore opportunities with SDS.

6. [REDACTED] suggested that he should meet again with the Minister in 6 months to discuss progress and also that dialogue with officials should be ongoing. [REDACTED] welcomed this and suggested that the next meeting should pick up the discussion on Amazon activities under the different dimensions of the Fair Work Framework (Effective Voice, Opportunity, Security, Fulfilment and Respect).

Action 4 – Officials to liaise with [REDACTED] and Ministers Office to agree a date for the next meeting in March/April 2019.

[REDACTED]
8 November 2018

[Redacted]

From: [Redacted] on behalf of Minister for Business, Fair Work and Skills
Sent: 18 December 2018 10:49
To: [Redacted]
Cc: Minister for Business, Fair Work and Skills
Subject: For the attention of [Redacted]
Attachments: u417077_18-12-2018_10-46-24.pdf

Dear [Redacted]

Please find attached a letter from [Redacted] Minister for Business, Fair Work and Skills.

Kind Regards,

[Redacted]
Private Secretary
Minister for Business, Fair Work and Skills
The Scottish Government
Edinburgh
Email: [Redacted]
Tel: [Redacted]
Mobile: [Redacted]

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

Scottish Ministers, Special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Minister for Business, Fair Work and Skills
[REDACTED]



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

[REDACTED]
Head of Public Policy
Amazon Scotland
[REDACTED]

15 December 2018

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Thank you for meeting with me on 1st November. I believe officials have shared a note of the meeting with you. I thought it would also be helpful to recap on our discussion, including the further action we agreed Amazon might explore to align with our approach to embedding fair working practices in workplaces across Scotland.

As you know, I was keen to understand Amazon's decision to increase the hourly pay rate to £9.50 and the withdrawal of staff benefits, and importantly how this was affecting your staff. It was reassuring to hear, therefore, that the loss of staff benefits, including the share ownership scheme, has been built into the revised pay rate, and that all staff will benefit through the new arrangements. You also confirmed that any benefits accrued under the previous share ownership scheme will be protected and that Amazon are looking at other options that will allow staff to buy shares. Can I ask you, please, to keep me up-to-date with this proposal as your plan develops.

You will recall that I suggested Amazon pursue Living Wage Employer Accreditation and I would urge you to consider this within your organisation. Officials in our Fair Work Unit will be pleased to discuss this in more detail and to link you up with The Poverty Alliance, who deliver the initiative in Scotland.

Achieving equality in the workplace is a priority for this government, and Amazon's desire to do more to support people in Scotland who are furthest from the labour market is heartening. This has tangible links to our Disability Employment Gap Action Plan which is due to be published soon, and there is an opportunity for Amazon to support delivery of the Plan. Officials will send you a link to the Action Plan in due course and will be happy to discuss potential opportunities with you.

I was interested to hear Amazon's commitment to staff development, including through Career Choice. As I suggested, an additional strand of activity would be to explore how Amazon can support the work of the Development the Young Workforce Regional Groups to build the skills for future work in today's school pupils. Do, please, let me know if you wish

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



to pursue this and my officials will facilitate engagement between Amazon and the relevant Regional Groups.

I was also interested to hear how, in England, Amazon are working to ensure that their contribution to the UK Government Apprenticeship Levy is being utilised by Amazon or by their supply chain. You are aware that, in Scotland we have developed a family of Apprenticeships to drive economic growth and prosperity, including our well-established, respected and successful Modern Apprenticeships and the expansion of Foundation and Graduate Apprenticeships - which can already be accessed by all employers in Scotland. Employers can also recruit directly from publicly funded employability programmes, and Scottish Levy-paying employers can access the Flexible Workforce Development Fund to upskill and reskill their existing workforce. I would encourage you to publicise the range of Apprenticeship opportunities available across your supply chain. I would also encourage you to continue to work with SDS to explore Graduate Apprenticeships as a way of developing higher level skills in your organisation.

Finally, we agreed that it would be useful to meet again to discuss progress. My officials will contact you to find a convenient date to meet early in May. I'd like to take this opportunity to discuss how Amazon practices meet the Fair Work dimensions, ie Effective Voice, Opportunity, Security, Fulfilment and Respect – more about which you can read at: <http://www.fairworkconvention.scot/framework/FairWorkConventionFrameworkFull.pdf>.

Please do not hesitate to contact me or officials in the Fair Work Unit if there is anything you wish to discuss.

Yours sincerely,

[Redacted signature block]

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



[REDACTED]

From: [REDACTED]
Sent: 31 January 2019 10:43
To: [REDACTED]
Cc: [REDACTED]
Subject: Amazon Call [REDACTED] - 30 January 2019
Attachments: Fair Work - Amazon - 20190130 - Telephone Call - Conversation with [REDACTED] on Delivery Drivers.docx

[REDACTED]

[REDACTED] and I spoke with Amazon's [REDACTED] yesterday (30 January).

I have attached a note of the conference call for your reference.

[REDACTED] advised that he will be responding to the Minister's December letter soon – he is waiting for some information on employability-focused developments Amazon are doing.

Let me know if you have any questions.

Many thanks,

[REDACTED]

[REDACTED]

[REDACTED] Fair Workplaces Unit | Scottish Government | [REDACTED]
[REDACTED]

Note of conference call with Amazon, 30 January 2019

Present

██████████ Amazon UK Public Policy
██████████ Scottish Government
██████████ Scottish Government

Note of call

1. ██████████ gave a brief review of the article that appeared in the Daily Record in December 2018. His impression was that the article was never intended to gain insight into the courier services, but was always planned to be a negative article on Amazon. The courier company (which is not mentioned in the article or in our discussion with ██████████) advised ██████████ that the issue had been rumbling on for a few weeks prior to the story running and that he understood they had written to the DR refuting the claims of unfair practice. The company possibly took legal action to dispute the claims made.
2. Amazon does not directly employ any drivers in the UK. Delivery Service Providers (DSPs) engage drivers as independent contractors.
3. ██████████ noted the positive steps Amazon has taken to adopt fairer work practices and improve pay rates over the past couple of years. She referred to Fair Work First and the Scottish Government's intention to focus this method for encouraging both businesses who were in receipt of public funding and their supply chains to adhere to fair work practices. ██████████ asked if Amazon placed any requirements on their DSPs to promote Fair Work through Amazon's supply chain. ██████████ agreed to look into whether Amazon set any minimum standards around their contracts.

Action 1 – ██████████ to provide information on appointment of DSPs

4. ██████████ asked for ██████████ to be informed that he will respond to the Minister's December letter ██████████ soon. Amazon are working on a number of employability initiatives around supporting young people and disabled people in their workforce and want to have a substantive response before getting back in touch.

Action 2 – Notify ██████████ of ██████████ intention to update ██████████ on Fair Work developments at Amazon Scotland soon.

5. On the next meeting between ██████████ and ██████████ ██████████ indicated that Mondays or Tuesday mornings are best for him (he is generally in London for the rest of the week). Sometime in May, ██████████ suggested a meeting the Dunfermline Amazon Centre, which would allow the Minister to see the operation and talk with staff.

██████████
Fair Work Delivery Unit
30 January 2019