

DOCUMENT 1a

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From: [REDACTED]
Sent: 13 September 2019 10:43
To: Cabinet Secretary for Finance, Economy and Fair Work; Minister for Business, Fair Work and Skills
Cc: [REDACTED]
Subject: Fair Work Convention briefing for both Mr Mackay and Mr Hepburn
Attachments: Fair Work Convention - Strategy Day - Cabinet Secretary Breifing.docx; Mr Mackay - Fair Work Convention Meeting - Ministerial Briefing - 18 Sept 2019.docx; Mr Hepburn - Fair Work Convention Meeting - Ministerial Briefing - 18 Sept 2019.docx

Cabinet Secretary,
Minister,
PS's

Please see attached briefing for next week's Fair Work Convention meeting for both Mr Mackay and Mr Hepburn on 18th September, and for the Fair Work Conventions Strategy Day on the 19th September for Mr Mackay.

Many thanks,

[REDACTED]

[REDACTED]

Fair Work Policy Officer
Fair & Inclusive Workplaces
Atlantic Quay

Phone: [REDACTED] Mobile [REDACTED]

 **Scottish Government**
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Document 1b

MINISTERIAL ENGAGEMENT BRIEFING: DEREK MACKAY

Engagement title	Fair Work Convention – Strategy Day
Engagement timings	09:00-09:30 Arrival and refreshments 09:30-10:30 Opening remarks and discussion 10:30 Cabinet Secretary departs
Organisation	Fair Work Convention
Venue and full address	Craiglockhart Room Hilton Hotel 19 North Bridge Edinburgh EH1 1SD
Background/Purpose (including invitation history)	The Fair Work Convention are holding a strategy day to consider their priorities and structures over the next 2 years. You have been invited to share your expectations for Fair Work and input to the discussion.
Relevance to core script	The Scottish Government and the Fair Work Convention share the vision for Scotland to be a Fair Work Nation by 2025. Fair work is at the heart of the Scottish Government's economic and social policies. Embedding Fair Work within and across Scottish workplaces will take a cross-government and cross-Scotland approach. The Fair Work Convention makes a valuable contribution in this regard.
Meeting attendees	Prof Patricia Findlay, Strathclyde University – co-chair Grahame Smith, STUC General Secretary – co-chair Henry Simmons, CEO Alzheimer Scotland Lilian Macer, Scottish Convener, Unison Satnam Ner, Babcock International/Prospect Mary Alexander, Deputy Scottish Secretary Unite
Supplementary information	Briefing Annex A – Agenda Annex B – Cabinet Secretary's opening remarks Annex C – Fair Work achievements and priorities Annex D – Fair Work Action Plan – summary of shared actions and other areas of key interest to the FWC Annex E – Biographies To note [REDACTED] will dial into the session The Scottish Government Fair Work support unit will attend: [REDACTED] [REDACTED]
Twitter handles of main representatives and organisations	@fairworkscot
Official support:	[REDACTED] Deputy Director Fair Work Mobile: 0 [REDACTED] You will be met at the entrance to the Hilton on arrival.

AGENDA

- 09:00 - 09:30 Attendees arrive
Refreshments and informal discussion
- 09:30 - 09:35 Welcome, introductions and apologies
- Fair Work Convention co-chairs
- 09:35 – 09:45 Opening remarks: Building the Fair Work movement across Scotland
- Cabinet Secretary for Finance, Economy & Fair Work
- 09:45 – 10:30 Co-chairs lead discussion about the Convention's priorities 2-years ahead
- 10:30 Cabinet Secretary departs

CABINET SECRETARY'S OPENING REMARKS

You may wish to draw on the following points in your address to the Convention:

- Be reassured this Government remains fully committed to Fair Work.
- It is front and centre of our economic and social policies - key to achieving sustainable and inclusive growth, and developing a wellbeing economy.
- Very much appreciate the Fair Work Convention's contribution.
- There has been some good progress, notably:
 - getting Fair Work indicators into the National Performance Framework;
 - your report on Fair Work in the Social Care sector, which – thanks to you - will help drive improvements for care workers;
 - publication of our Fair Work Action Plan, and the many actions that are now being taken forward, including to implement Fair Work First;
 - getting Fair Work in the legislation for South of Scotland Enterprise – a significant step which will put Fair Work at the heart of the new agency from the get-go, and pave the way for the other agencies to follow suit.
- The Convention's commitment and contribution in all of this has been invaluable.
- And, amongst your priorities looking ahead:
 - the strategic relationships you are building with employer bodies,
 - your Construction Inquiry;
 - and the Measurement Framework and support tools;

This is important work; and will help us progress Fair Work yet further.

- I look forward to discussing your priorities for the next couple of years, and hearing your plans for taking these forward.
- I look forward to strengthening our partnership so that, together, we can achieve yet more.

FAIR WORK CONVENTION – ACHIEVEMENTS AND PRIORITIES

Achievements over the past year:

- Reviewed the functions and membership, with 3 new Convention members (due to work commitments one of these - Ray Riddoch, Nexen (Oil & Gas) has recently resigned).
- Completed an 18 month independent inquiry into Fair Work in the Social Care Sector and published a report on 26 February 2019.
- Supported Procurement colleagues to produce the new Procurement Guidelines – advancing Fair Work through public sector procurement.
- Provided advice to various important pieces of work which have Fair Work implications including the Enterprise and Skills Strategic Board, South of Scotland Economic Partnership, and the Expert Group on the Collaborative Economy.
- Lobbied and provided technical advice on the Fair Work indicators in the National Performance Framework – resulting in the inclusion of indicators for every dimension in the NPF.
- Worked to influence the UK Good Work agenda by engaging with Carnegie Trust UK to encourage them to take on the broader definition of Fair Work.

Priorities for the next 2 years:

- Launch our online self-assessment tool for employees which will help them to self-assess their workplace and access advice. Importantly this also acts as a data collection tool to help us measure progress on the journey for Scotland to be a Fair Work Nation by 2025.
- In 2019, launch and roll-out a Fair Work Measurement Framework - together with a data visualisation tool.
- Publish the Fair Work Convention's Annual Report alongside the measurement framework, telling the story of progress so far.
- Develop an Animation resource, describing what Fair Work means in practice and promoting fair working practices.
- Undertake an independent Construction Inquiry – to be launched before end of this year.
- Establish Strategic Partnerships with key employer bodies, initially: CBI, SCDI, SCVO, CIPD Scotland, and COSLA and develop a series of framework agreements setting out shared priorities and ways of working.
- Strengthen membership of the Convention.

FAIR WORK ACTION PLAN : SUMMARY OF PROGRESS

SHARED ACTIONS FOR SCOTTISH GOVERNMENT AND THE FAIR WORK CONVENTION	
Action committed to in the Fair Work Action Plan	Progress update
<p>Co-host an International Fair Work Summit with the Fair Work Convention</p> <p>Scottish Government will work with the Fair Work Convention to organise and host an international Fair Work Summit in 2019/20. This will showcase Scotland's approach to Fair Work on an international stage, making connections across the Fair Work movement in Scotland, the UK and Europe. It will also provide opportunity to enhance collaboration with European partners in order to secure a continued focus on Fair Work after EU exit.</p>	<ul style="list-style-type: none"> • The Fair Work Action Plan commits to hosting an international Fair Work Summit in 2019. • The Cabinet Secretary and Minister have agreed to hold the Summit in Autumn 2020; the FWC agree with this approach. • This provides the lead-in time required to attract relevant and highly regarded speakers; design an event that both caters for policy/strategic interests and demonstrates Fair Work in practice; and to promote the summit to targeted audiences across Scotland, the UK and internationally. • Along with procuring a suitable event manager, this would give the best chance of delivering a highly successful event. • It also enables proper consideration to be given to aligning the new PfG commitment to host an international summit focusing on the wellbeing economy (see below). <p>New Programme for Government commitment</p> <ul style="list-style-type: none"> • Moreover, the 'Wellbeing governments' section of the new Programme for Government includes a commitment to host <i>an international business-led summit to promote best practice on how business can help us work towards a wellbeing economy through sustainable growth, inclusion and protecting our environment.</i> • The conference has initial support from the OECD and Business in the Community Scotland, but also strong links to SG's international partners on the Wellbeing Governments (WEGo) initiative, including Iceland and New Zealand. • This has a strong read across and relevance to a range of areas across the Scottish Government, including Fair Work, economic development and inclusive growth. The Fair Work team will work closely with OCEA colleagues to capture synergies and join-up where appropriate. • Holding the Fair Work Summit in Autumn 2020 will enable us to establish the best approach for meeting the existing commitment to deliver an International Fair Work Summit with the Convention, <u>and</u> the First Minister's commitment to the new PfG.
<p>The SG will take forward actions related to the Fair Work Convention's Social Care Report</p> <ul style="list-style-type: none"> • During the development of the <u>Fair Work Framework</u>, the social care sector was identified as having significant strengths and best practice but was also recognised as being under some strain, with significant challenges to Fair Work being experienced by many frontline staff in the sector. The Fair Work 	<p>Social Care Policy Team are taking forward priorities from the FWC's Social Care report, as follows:</p> <ul style="list-style-type: none"> • The Living Wage Implementation Group (LWIG) last met in August to consider their role in responding to the Social Care Inquiry. The Group includes Scottish Government, Scottish Care, COSLA, Coalition of Care and Support Providers in Scotland.



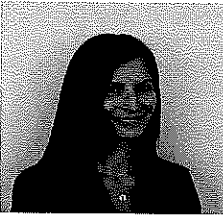


<p>Convention noted the lack of security for social care staff; poor terms and conditions; significant difficulties in staff recruitment and retention, and commissioning / procurement practices which seem to work against both Fair Work and person-centred care. The Convention undertook an inquiry into Fair Work in Social Care and published its report: <u>Fair Work in Scotland's Social Care 2019</u> in February 2019.</p> <ul style="list-style-type: none"> The Scottish Government will work with partners to consider and respond to the recommendations set out in the Convention's Social Care Inquiry Report to ensure fair work is embedded in the delivery of social care services including the procurement process. 	<ul style="list-style-type: none"> The LWIG, STUC and the Chief Officer Network agreed that: <ul style="list-style-type: none"> The Group would take on a more strategic function in relation to Fair Work for the social care workforce; The group will be re-branded 'The Fair Work in Social Care Implementation Group' and membership will be reviewed and expanded accordingly; and The issues and recommendations from the FWC Report provides the scope for the group. Over the next few months Social Care Policy Team will work with COSLA and the Fair Work Implementation Group to: <ul style="list-style-type: none"> agree the remit, scope, structure and purpose for the FWIG; develop a joint Scottish Government/COSLA statement of intent in response to the Fair Work in Scotland Report (Autumn 2019); establish the membership of the FWIG (including appointment of an independent chair/vice chair for the group); and agree its priorities.
<ul style="list-style-type: none"> The SG are committed to working with employer organisations to implement the Fair Work Action Plan. We will also continue to work with the Fair Work Convention to promote understanding and application of the Fair Work Framework in workplaces across the country. The Fair Work Convention's 2019/20 work plan also includes a focus on employer engagement. We will work with the Fair Work Convention to develop and implement a coherent and collaborative Fair Work narrative and communications strategy, which captures the essence of Fair Work in practice. 	<ul style="list-style-type: none"> The Fair Work Convention will write soon to employer bodies to build strategic relationships as a way to extend the reach of Fair Work into employer network. The suggest bodies thus far are: SCDI; COSLA; CIPD; SCVO; and CBI Fair Work Policy team is currently consulting employers to understand what Fair Work First will mean in practice for different types and size of business and different sectors and geographies. This will inform further implementation of Fair Work First. In response to a request from the Enterprise & Skills Strategic Board, Fair Work officials and the agencies - with support from Grahame Smith - are working together to develop a 'plain English' Fair Work Narrative which agency staff, SG and key stakeholders can buy-into and use to promote Fair Work.
<p>In 2019, in consultation with the Fair Work Convention, we will develop a tool that will allow employers to benchmark their policies and practices against the dimensions Fair Work. This will encourage employers to critically assess their organisations in order to better understand their strengths and weaknesses.</p> <ul style="list-style-type: none"> The benchmarking tool will identify practical steps that employers can take to progress their Fair Work journey and will signpost to further advice and support. 	<ul style="list-style-type: none"> Fair Work policy team currently scoping what this tool would seek to achieve and will engage with key stakeholders, including the Fair Work Convention, STUC, employers and employer bodies to agree the scope. The Benchmarking tool will align with the Fair Work Convention's measurement indicators, and their employee-facing App-based survey (to be launched this year). Discussions also to be held with Scottish Enterprise to ensure the Benchmarking Tool aligns with / compliments employer support being developed through the Strategic Board Business Model & Workplace Innovation Mission.
<p>On worker protections, the Scottish Government will:</p> <ul style="list-style-type: none"> Engage with the Fair Work Convention, trade unions and platform hosts to help employers 	<p>This action has not yet been progressed and Fair Work officials will consider the matter in developing other employer support tools.</p>

<p>in the collaborative economy understand and embed the dimensions of Fair Work.</p>	
<p>The Fair Work Convention will undertake an inquiry into Fair Work in the Construction sector in 2019. This recognises that the construction sector experiences significant challenges in terms of Fair Work practices. While Scotland has made progress in applying Fair Work to public procurement contracts, the Convention has highlighted the need for more robust monitoring and evaluation of how Fair Work is being applied in practice.</p>	<p>The inquiry is due to start in 2019.</p>
<p>Fair Work Indicators Building on the NPF and working with the Fair Work Convention, Scottish Government will develop and adopt a set of indicators to measure progress in delivering a Fair Work Nation.</p>	<ul style="list-style-type: none"> • The FWC have developed a measurement framework, comprising a range of indicators for measuring progress on key aspects of Fair Work, aligned with the fair work dimensions. • The Framework will be rolled out in 2019.
OTHER KEY ACTIONS	
<p>Fair Work First We will attach Fair Work conditionality to as many grants, business support grants and public contracts as we can by the end of the Parliament. This asks employers to commit to:</p> <ul style="list-style-type: none"> - payment of the real Living Wage - no inappropriate use of zero hour contracts - action to tackle the gender pay gap - investment in skills and training - genuine workforce engagement <p>Scottish Enterprise will attach Fair Work conditionality to large business support grants starting from April 2019.</p>	<ul style="list-style-type: none"> • A Fair Work Implementation Plan will be published soon – through a Government Initiated PQ, and in Splce. • Fair Work conditionality is now being applied to: <ul style="list-style-type: none"> ◦ grants and contracts issued through the SG's Fair Work budget. ◦ Large business support grants (over £100k) awarded by Scottish Enterprise. ◦ The procurement process for a £400m public sector facilities management contract currently out to tender. • All of the enterprise & skills agencies will be expected to apply Fair Work conditionality to funding awarded from April 2020.
<p>Increasing collective bargaining coverage The Fair Work Action Plan commits to working with the STUC to increase the number of workers covered by collective bargaining. The focus is currently on four sectors: hospitality, social care, early years & childcare and construction.</p> <p>Officials are engaging with SG policy teams and trade unions; and the STUC are currently mapping existing industry standards and UK national and collective agreements.</p>	<ul style="list-style-type: none"> • The initial focus is on 4 key sectors – hospitality, social care, early years & childcare and construction. • Fair work and other relevant policy teams have met with relevant trade unions to discuss issues and agree how to take this work forward. • The STUC are currently mapping existing industry standards and UK national and collective agreements.
<p>Fair Work in public bodies Ministers expect public sector to lead the way on Fair Work.</p>	<ul style="list-style-type: none"> • The Cabinet Secretary wrote to public bodies on 29 August encouraging them to work with their trade union partners to adopt the terms of the Scottish Government's Fair Work Agreement with the relevant civil service trade unions. • The Agreement illustrates the commitment to embedding Fair Work into local employment policy and practice in the Civil Service sector. • It aligns with the Fair Work Framework. • Fair Work is prominent in the Ministerial strategic guidance to the enterprise and skills agencies for 2019-20. Ministerial guidance for all public bodies will include SG's expectations on Fair work.

FAIR WORK CONVENTION MEMBERS - BIOGRAPHIES

Co-chairs:

You are already familiar with the co-chairs - Professor Patricia Findlay, Strathclyde University and Grahame Smith, STUC General Secretary

<p>Henry Simmons</p> 	<p>Chief Executive at Alzheimer Scotland since August 2008. A registered Social Worker and Mental Health Nurse. With over 20 years experience in the health and social care sector, he has spent most of his career in the voluntary sector - developing new community-based person-centred services within the learning disability and mental health fields. He was a Board Member of Alzheimer Europe for several years and is General Member of the Mental Health Tribunal for Scotland. He is chair of the NHS NES/SSSC Dementia Programme Board.</p>
<p>Lillian Macer</p> 	<p>Employed within NHS Lanarkshire since 1984, Lillian has been the Employee Director since 2009. She is the Convenor for Unison Scotland, Branch Chair for Unison Lanarkshire Health Branch, and a member of the STUC General Council.</p>
<p>Shirley Campbell</p> 	<p>Shirley is the Director for People, Scottish Water and is a board member for Scottish Water Horizons Holdings Ltd with responsibility for Scottish Water International. She is passionate about Agile working and creating inclusive digital environments where people can flourish and be highly productive, She is also a lay member of Court at the University of Dundee, Chair of the People and Organisational Development Committee and a member of the Remuneration Committee.</p>
<p>Mary Alexander</p> 	<p>Deputy Regional Secretary for Unite the Union Scotland, Mary's background is in the financial sector. She has extensive experience in representation and advocacy, and extensive knowledge of changes in management and HR practices. Mary has much experience of campaigning on workplace equality issues. She has a strong interest in international development and fair trade.</p>
<p>Satnam Ner</p> 	<p>An active lay rep at Rosyth Dockyard for more than 32 years, serving as the Chair of Prospect Rosyth Branch and representing nearly 800 specialists including engineers, managers, scientists and administrators. Since 2008, he has served on Prospect's National Executive Committee. A member of the STUC General Council since 2007, he is a former STUC President. He has been elected onto the STUC Black Workers' Committee for 19 of the 21 years that it has existed. Alongside his scientific and trade union roles, he recently worked as Diversity and Inclusion Manager at Babcock to deliver its D&I strategy. Satnam has made a strong contribution to promoting equality in general but particularly race equality in Scotland. He received the STUC One Workplace Equality Award in 2010.</p>

Engagement title	Meeting between the Cabinet Secretary, Minister and the co-chairs of the Fair Work Convention
Engagement timings	T3.21, Parliament
Background/Purpose	Fair Work Convention requested a meeting to discuss how the Convention and the Scottish Government can work together to deliver shared commitments from the Fair Work Action Plan.
Relevance to core script	<p>The Scottish Government and the Fair Work Convention share the vision for Scotland to be a Fair Work Nation by 2025.</p> <p>Fair work is at the heart of the Scottish Government's economic and social policies. Embedding Fair Work within and across Scottish workplaces will take a cross-government and cross-Scotland approach. The Fair Work Convention makes a valuable contribution in this regard.</p>
Meeting attendees	Grahame Smith and Patricia Findlay, Co-Chairs of the Fair Work Convention.
Media Handling	No
Social Media	Twitter Handle: @ScotGoveconomy @FairWorkScot
Official support	██████████ Deputy Director, Fair Work and Labour Market Strategy - ██████████ 0 ██████████
<p>Briefing contents</p> <ul style="list-style-type: none"> • Annex A – Fair Work Convention: background; achievements and future priorities • Annex B – Discussion points: background and lines • Annex C – Fair Work Action Plan: summary of progress on shared commitments and key areas of interest to the Convention • Annex D – Fair Work – Top Lines • Annex E – Labour Market – Top Lines • Annex F – Skills, Talent Attraction and Retention – Top Lines 	

FAIR WORK CONVENTION**BACKGROUND**

- The Fair Work Convention was established in 2015 as an independent advisory body to the Scottish Government and, in 2016 produced the Fair Work Framework, which underpins our Fair Work approach in Scotland.
- The Convention's ambition – shared by Ministers - is that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing & prosperity for individuals, businesses, organisations and for society.
- The Convention is co-chaired by Professor Patricia Findlay, Strathclyde University and Grahame Smith, STUC General Secretary.
- Members are: Henry Simmons, CEO Alzheimer Scotland; Shirley Campbell, Head of HR at Scottish Water; Lilian Macer, Scottish Convener, Unison; Satnam Ner, Babcock International/Prospect; and Mary Alexander, Deputy Scottish Secretary Unite. Ray Riddoch, CEO Nexen (Oil & Gas) recently resigned. The co-chairs are working to identify new members.
- The Convention is funded by the Scottish Government, ie £500k pa to cover salary costs of the SG Support Team and the Convention's programme of work.

ACHIEVEMENTS AND FUTURE PRIORITIES**Achievements over the past year:**

- Reviewed the functions and membership, with 3 new Convention members (noting that one has recently resigned due to work commitments).
- Completed an 18 month independent inquiry into Fair Work in the Social Care Sector and published a report on 26 February 2019.
- Supported SG Procurement colleagues to produce new Procurement Guidelines – advancing Fair Work through public sector procurement.
- Provided advice to various important pieces of work which have Fair Work implications including the Enterprise and Skills Strategic Board, South of Scotland Economic Partnership, and the Expert Group on the Collaborative Economy.
- Lobbied and provided technical advice on the Fair Work indicators in the National Performance Framework – resulting in the inclusion of indicators for every dimension in the NPF.
- Encouraged Scottish Ministers to incorporate Fair Work in the legislation to establish South of Scotland Enterprise.
- Worked to influence the UK Good Work agenda by engaging with Carnegie Trust UK to encourage them to take on the broader definition of Fair Work.

Priorities for the next 2 years:

- Launch an online self-assessment tool for employees which will help them to self-assess their workplace and access advice. This also acts as a data collection tool to help us measure progress towards being a Fair Work Nation by 2025.
- In 2019, roll-out a Fair Work Measurement Framework - together with a data visualisation tool.
- Publish the Fair Work Convention's Annual Report alongside the measurement framework, telling the story of progress so far.
- Develop an Animation, illustrating and promoting Fair Work in practice.
- Undertake an independent Construction Inquiry – to be launched before end of this year.
- Establish Strategic Partnerships with key employer bodies (and Scottish Government), initially: CBI, SCDI, SCVO, CIPD Scotland, and COSLA and develop a series of framework agreements setting out shared priorities and ways of working.
- New chairs and/or transitional arrangements in place by January 2020.
- Strengthen membership of the Convention.

FOCUS OF THE DISCUSSION

The co-chairs of the Convention wish discussions to focus on:

- Reflection on progress to date; and
- Future priorities to deliver the commitments shared by the Convention and Scottish Government.

The Cabinet Secretary / Minister may wish to:

- [REDACTED]
- [REDACTED]
[REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

POSSIBLE DISCUSSION POINTS**Developing a strong Fair Work narrative**

Some ongoing concerns from employers that the Fair Work Framework is rather abstract and they need a more tangible explanation of what Fair Work means in practice. This view was reiterated at the Strategic Board in June (the Cabinet Secretary attended). Fair Work officials are working with the enterprise and skills agencies – with support from Grahame Smith - to develop a strong narrative which the SG, the agencies and wider stakeholders can all buy into and use to promote Fair Work to employers.

Lines

- Grateful to Grahame for agreeing to help officials to develop a strong Fair Work narrative.
- Important to get a common script, that we can all get behind and use.
- Needs to demonstrate the benefits of Fair and what employers should be doing to engage their workers in agreeing how they can jointly progress Fair Work in their organisation.

International Fair Work Summit

Ministers have agreed to hold an International Fair Work Summit in autumn 2020; the Convention agree with this approach. Officials have discussed with Tricia, concluding that a 2-day event would enable us to both cater for strategic/policy interests and allow for sharing good practice. The First Minister, Cabinet Secretary and Minister would be invited to participate and the hope would be to attract an international keynote speaker of similar standing, as well as relevant and high profile speakers and delegates from Scotland, the UK and wider.

More recently, the new PfG includes a commitment to host an international business-led summit to promote best practice on how business can help us work towards a wellbeing economy through sustainable growth, inclusion and protecting our environment. This has a strong read across and relevance to Fair Work, economic development and inclusive growth.

Lines

- Agree with the Convention that a Fair Work Summit should be a substantial and high profile event, and that holding it next autumn gives us the best chance of delivering a successful event.
- Separately, our new PfG commits to an international business-led summit to support our work to becoming a wellbeing economy has strong read across and relevance to Fair Work.

Fair Work Measurement Framework

The Fair Work Convention have developed a measurement framework to measure progress towards the ambition to be a Fair Work Nation by 2025. This uses a set of indicators based on the fair Work dimensions. It supports an App for employees to use to benchmark their work. The framework aligns with the National Performance Framework, Scottish Labour Market Strategy and Economic Strategy.

Lines

- This is an interesting and important development; I look forward to hearing more in due course.
- Important for the indicators you've developed to underpin other tools and resources being developed, eg the employer benchmarking tool – to ensure consistency in measuring Fair Work.

Fair Work Employer Benchmarking Tool

The Fair Work Action Plan commits to developing a benchmarking tool to help employers assess where they are on Fair Work and help them to access support to help them improve. This work is

currently being scoped and will consider how to incorporate the indicators developed by the Convention for its Measurement Framework (outlined above).

Lines

- Employers have said they want to adopt fair working practices but need help. This tool will help.
- At embryonic stage. Important the tool aligns with the Convention's Measurement Framework, as it will set the standard for what employers need to do.

Fair Work First

We will attach Fair Work conditionality to as many grants, funding streams and public contracts as we can by the end of the Parliament. In 2019-20, Fair Work criteria is included in:

- Grants and contracts issued from the Fair Work budget (BITC Scotland; Poverty Alliance; the STUC and Impact Funding);
- Business support grants over £100k awarded by Scottish Enterprise;
- SG procurement for a £400m 7-year facilities management contract currently out to tender
- Sponsorship funding for the enterprise and skills agencies.

Fair Work policy are currently consulting employers to understand what the Fair Work First criteria means for to inform a proportionate and appropriate approach to avoid unintended consequences. Also working with partners to explore options for expanding the range of grants, funding and contracts to which Fair Work First should be applied. A Fair Work Implementation Plan will be published soon.

Lines

- Fair Work First has the potential to really get Fair Work into workplaces
- But using conditionality is not straightforward. We need to get it right and will take an incremental approach, taking account of the different contexts employers are operating in.
- Fair Work officials currently consulting employers on what the Fair Work First criteria means for them in practice. They will be in touch with you in due course to get your views.

Fair Work Convention's Strategic relationship with employer organisations

The Fair Work Convention are developing strategic partnerships with key employer organisations (and the Scottish Government) to gather support and momentum for Fair Work across Scotland. As well as getting leadership from the bodies this will help extend the reach of Fair Work into relevant membership and stakeholder groups. The Convention will write soon to an initial tranche of organisations: SCDI, COSLA, CIPD, SCVO and CBI. Framework agreements will be developed with the organisations, setting out shared priorities and ways of working.

Lines

- [REDACTED]

Increasing collective bargaining coverage

The Fair Work Action Plan commits to working with the STUC to increase the number of workers covered by collective bargaining. The focus is currently on four sectors: hospitality, social care, early years & childcare and construction. Officials are engaging with SG policy teams and trade unions; and the STUC are currently mapping existing industry standards and UK national and collective agreements.

Lines

- Fair work and other relevant policy teams are engaging with relevant trade unions and the STUC are mapping existing industry standards and UK national and collective agreements.

SUMMARY OF PROGRESS ON FAIR WORK

SHARED ACTIONS FOR SCOTTISH GOVERNMENT AND THE FAIR WORK CONVENTION	
Action committed to in the Fair Work Action Plan	Progress update
<p>Co-host an International Fair Work Summit with the Fair Work Convention Scottish Government will work with the Fair Work Convention to organise and host an international Fair Work Summit in 2019/20. This will showcase Scotland's approach to Fair Work on an international stage, making connections across the Fair Work movement in Scotland, the UK and Europe. It will also provide opportunity to enhance collaboration with European partners in order to secure a continued focus on Fair Work after EU exit.</p>	<ul style="list-style-type: none"> • The Fair Work Action Plan commits to hosting an international Fair Work Summit in 2019. • The Cabinet Secretary and Minister have agreed to hold the Summit in autumn 2020; the FWC agree with this approach. • This provides the lead-in time required to attract relevant and highly regarded speakers; design an event that both caters for policy/strategic interests and demonstrates Fair Work in practice; and to promote the summit to targeted audiences across Scotland, the UK and internationally. • Along with procuring a suitable event manager, this would give the best chance of delivering a highly successful event. • It also enables proper consideration to be given to aligning the new PfG commitment to host an international summit focusing on the wellbeing economy (see below). <p>New Programme for Government commitment</p> <ul style="list-style-type: none"> • Moreover, the 'Wellbeing governments' section of the new Programme for Government includes a commitment to host <i>an international business-led summit to promote best practice on how business can help us work towards a wellbeing economy through sustainable growth, inclusion and protecting our environment.</i> • The conference has initial support from the OECD and Business in the Community Scotland, but also strong links to SG's international partners on the Wellbeing Governments (WEGo) initiative, including Iceland and New Zealand. • This has a strong read across and relevance to a range of areas across the Scottish Government, including Fair Work, economic development and inclusive growth. The Fair Work team will work closely with OCEA colleagues to capture synergies and join-up where appropriate. • Holding the Fair Work Summit in Autumn 2020 will enable us to establish the best approach for meeting the existing commitment to deliver an International Fair Work Summit with the Convention, <u>and</u> the First Minister's commitment to the new PfG.
<p>The SG will take forward actions related to the Fair Work Convention's Social Care Report</p> <ul style="list-style-type: none"> • During the development of the <u>Fair Work Framework</u>, the social care sector was identified as having significant strengths and best practice but was also recognised as being under some strain, with significant challenges to Fair Work being experienced by many frontline staff in the sector. The Fair Work 	<p>Social Care Policy Team are taking forward priorities from the FWC's Social Care report, as follows:</p> <ul style="list-style-type: none"> • The Living Wage Implementation Group (LWIG) last met in August to consider their role in responding to the Social Care Inquiry. The Group includes Scottish Government, Scottish Care, COSLA, Coalition of Care and Support Providers in Scotland.

<p>Convention noted the lack of security for social care staff; poor terms and conditions; significant difficulties in staff recruitment and retention, and commissioning / procurement practices which seem to work against both Fair Work and person-centred care. The Convention undertook an inquiry into Fair Work in Social Care and published its report: <u>Fair Work in Scotland's Social Care 2019</u> in February 2019.</p> <ul style="list-style-type: none"> The Scottish Government will work with partners to consider and respond to the recommendations set out in the Convention's Social Care Inquiry Report to ensure fair work is embedded in the delivery of social care services including the procurement process. 	<ul style="list-style-type: none"> The LWIG, STUC and the Chief Officer Network agreed that: <ul style="list-style-type: none"> The Group would take on a more strategic function in relation to Fair Work for the social care workforce; The group will be re-branded 'The Fair Work in Social Care Implementation Group' and membership will be reviewed and expanded accordingly; and The issues and recommendations from the FWC Report provides the scope for the group. Over the next few months Social Care Policy Team will work with COSLA and the Fair Work Implementation Group to: <ul style="list-style-type: none"> agree the remit, scope, structure and purpose for the FWIG; develop a joint Scottish Government/COSLA statement of intent in response to the Fair Work in Scotland Report (Autumn 2019); establish the membership of the FWIG (including appointment of an independent chair/vice chair for the group); and agree its priorities.
<ul style="list-style-type: none"> The SG are committed to working with employer organisations to implement the Fair Work Action Plan. We will also continue to work with the Fair Work Convention to promote understanding and application of the Fair Work Framework in workplaces across the country. The Fair Work Convention's 2019/20 work plan also includes a focus on employer engagement. We will work with the Fair Work Convention to develop and implement a coherent and collaborative Fair Work narrative and communications strategy, which captures the essence of Fair Work in practice. 	<ul style="list-style-type: none"> The Fair Work Convention will write soon to employer bodies to build strategic relationships as a way to extend the reach of Fair Work into employer network. The suggest bodies thus far are: SCDI; COSLA; CIPD; SCVO; and CBI Fair Work Policy team is currently consulting employers to understand what Fair Work First will mean in practice for different types and size of business and different sectors and geographies. This will inform further implementation of Fair Work First. In response to a request from the Enterprise & Skills Strategic Board, Fair Work officials and the agencies - with support from Grahame Smith - are working together to develop a 'plain English' Fair Work Narrative which agency staff, SG and key stakeholders can buy-into and use to promote Fair Work.
<p>In 2019, in consultation with the Fair Work Convention, we will develop a tool that will allow employers to benchmark their policies and practices against the dimensions Fair Work. This will encourage employers to critically assess their organisations in order to better understand their strengths and weaknesses.</p> <ul style="list-style-type: none"> The benchmarking tool will identify practical steps that employers can take to progress their Fair Work journey and will signpost to further advice and support. 	<ul style="list-style-type: none"> Fair Work policy team currently scoping what this tool would seek to achieve and will engage with key stakeholders, including the Fair Work Convention, STUC, employers and employer bodies to agree the scope. The Benchmarking tool will align with the Fair Work Convention's measurement indicators, and their employee-facing App-based survey (to be launched this year). Discussions also to be held with Scottish Enterprise to ensure the Benchmarking Tool aligns with / compliments employer support being developed through the Strategic Board Business Model & Workplace Innovation Mission.
<p>On worker protections, the Scottish Government will:</p>	<p>This action has not yet been progressed and Fair Work officials will consider the matter in developing other employer support tools.</p>

MINISTERIAL ENGAGEMENT BRIEFING: MR MACKAY

<ul style="list-style-type: none"> ○ Engage with the Fair Work Convention, trade unions and platform hosts to help employers in the collaborative economy understand and embed the dimensions of Fair Work. 	
<p>The Fair Work Convention will undertake an inquiry into Fair Work in the Construction sector in 2019. This recognises that the construction sector experiences significant challenges in terms of Fair Work practices. While Scotland has made progress in applying Fair Work to public procurement contracts, the Convention has highlighted the need for more robust monitoring and evaluation of how Fair Work is being applied in practice.</p>	<p>The inquiry is due to start in 2019.</p>
<p>Fair Work Indicators Building on the NPF and working with the Fair Work Convention, Scottish Government will develop and adopt a set of indicators to measure progress in delivering a Fair Work Nation.</p>	<ul style="list-style-type: none"> • The FWC have developed a measurement framework, comprising a range of indicators for measuring progress on key aspects of Fair Work, aligned with the fair work dimensions. • The Framework will be rolled out in 2019.
<p>OTHER KEY ACTIONS</p>	
<p>Fair Work First We will attach Fair Work conditionality to as many grants, business support grants and public contracts as we can by the end of the Parliament. This asks employers to commit to:</p> <ul style="list-style-type: none"> - payment of the real Living Wage - no inappropriate use of zero hour contracts - action to tackle the gender pay gap - investment in skills and training - genuine workforce engagement <p>Scottish Enterprise will attach Fair Work conditionality to large business support grants starting from April 2019.</p>	<ul style="list-style-type: none"> • A Fair Work Implementation Plan will be published soon – through a Government Initiated PQ, and in Splce. • Fair Work conditionality is already been applied to: <ul style="list-style-type: none"> ○ Grants and contracts issued through the SG’s Fair Work budget. ○ Large business support grants (over £100k) awarded by Scottish Enterprise. ○ The procurement process for a £400m public sector facilities management contract currently out to tender. • All of the enterprise & skills agencies will be expected to apply Fair Work conditionality to funding awarded from April 2020.
<p>Increasing collective bargaining coverage The Fair Work Action Plan commits to working with the STUC to increase the number of workers covered by collective bargaining. The focus is currently on four sectors: hospitality, social care, early years & childcare and construction.</p> <p>Officials are engaging with SG policy teams and trade unions; and the STUC are currently mapping existing industry standards and UK national and collective agreements.</p>	<ul style="list-style-type: none"> • The initial focus is on 4 key sectors – hospitality, social care, early years & childcare and construction. • Fair work and other relevant policy teams have met with relevant trade unions to discuss issues and agree how to take this work forward. • The STUC are currently mapping existing industry standards and UK national and collective agreements.
<p>Fair Work in public bodies Ministers expect public sector to lead the way on Fair Work.</p>	<ul style="list-style-type: none"> • The Cabinet Secretary wrote to public bodies on 29 August encouraging them to work with their trade union partners to adopt the terms of the Scottish Government’s Fair Work Agreement with the relevant civil service trade unions. • The Agreement illustrates the commitment to embedding Fair Work into local employment policy and practice in the Civil Service sector. • It aligns with the Fair Work Framework. • Fair Work is prominent in the Ministerial strategic guidance to the enterprise and skills agencies for 2019-20. Ministerial guidance for all public bodies will include SG’s expectations on Fair work.

FAIR WORK

Top lines

- The Fair Work Action plan published on 27 February, sets out how we will deliver our ambitions on fair work across Scotland.
- Fair Work is central to our economic strategy: it is good for workers, good for business and good for Scotland.
- The Action Plan sets out the approach we will take to help employers embed fairer working practices within their workplaces.
- It was developed in consultation with the STUC, the Fair Work Convention, employers and other stakeholders.
- The Action Plan will be regularly reviewed and refreshed to reflect the progress being made.
- It focuses on actions to:
 - Support employers to adopt Fair Work practices;
 - Deliver Fair Work to a diverse and inclusive workforce; and,
 - Embed Fair Work across the Scottish Government.

Actions include:

- It will deliver the refreshed Scottish Business Pledge, which aligns more closely to the Fair Work Framework.
- Through our Fair Work First approach, 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
- We will create a new Fair Work service for small and micro employers so they can access support and guidance from a central point
- We will co-host an International Fair Work Summit with the Fair Work Convention to showcase Scotland's achievements in this field.
- We have extended the Workplace Equality Fund in 2019/20 with £800,000 of funding. Projects addressing inequalities in the labour market are due to begin in October (2019).
- We will support trade unions to embed Fair Work in workplaces with continued funding for the Fair Work and Trade Union Modernisation Fund.
- We will work in partnership with the STUC to increase the number of workers covered by collective bargaining in Scotland.
- We will increase the number of people employed who are paid at least the real Living Wage, focusing on traditionally low paid sectors and locations.
- We will embed Fair Work across Scottish Government portfolios through developing directorate-level Fair Work Action Plans.
- Strategic direction will be provided by the Fair Work and Gender Equality Ministerial Working Group.
- We will continue to engage with the UK Government to enhance worker's rights.

The action plan has been welcomed by the STUC

- The STUC general secretary Grahame Smith said:
QUOTE: *"The Fair Work Action Plan demonstrates a commitment to using the powers the Government has at its disposal to deliver fair work, which is good for workers and good for business.
 "Through Fair Work First, it lays the foundations for ensuring that fair work is mainstreamed throughout the Scottish Government's role as a provider of major contracts and grants for business.
 "Crucially, it recognises the fundamental importance of strong unions in achieving fair work."*

FAIR WORK FIRST**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 to receive support, companies will have to:
 - Show appropriate commitment and investment in skills and training.
 - Demonstrate they do not use of zero hours contracts.
 - Take action to tackle the gender pay gap.

MINISTERIAL ENGAGEMENT BRIEFING: MR MACKAY

- Display genuine workforce engagement.
- Pay the real Living Wage.
- Fair Work First will harness the financial power of the Scottish Government and be developed with trade unions, business and the public sector.
- It builds on the Programme for Government commitment to introduce fair work criteria to Scottish Enterprise job-related grants in 2019-20.
- This move was also welcomed by the STUC.

Fair Work First Implementation

- We are taking a phased, two-pronged approach to implementing Fair Work First:
- Using conditionality as a lever:
 - from 2019-20, Scottish Enterprise will pilot attaching Fair Work criteria to RSA grants, i.e. no inappropriate use of zero hours contracts; payment of the real Living Wage; reporting on gender pay gap.
- Scottish Government and the other public bodies will take the lead in adopting Fair Work First within their own organisations:
 - SG recognises that many public bodies are already making progress on mainstreaming fair work;
 - We have asked the enterprise and skills agencies to be early adopters in 2019-20;
 - We will work with the other public bodies to bring them on board by 2020-21;
 - This should not detract all public bodies from promoting Fair Work in relevant procurement and contracting processes.
- Over the coming year, we will engage with public sector partners, industry, the third sector and trade unions to test and refine Fair Work First criteria and approach to support wider implementation by 2021.
- Simultaneously, Scottish Government Procurement will develop a suitable approach for extending Fair Work First to public sector contracts by 2021, building on existing conditionality and working with employers and other stakeholders.

This move was also welcomed by the STUC

- Grahame Smith, STUC General Secretary said (9 October 2018):
- **QUOTE:** *"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."*

LABOUR MARKET

LABOUR MARKET TOP LINES

- Under a 'no deal' there will likely be a reduction in economic activity including reduced recruitment (new and replacement); a reduction in individuals' working hours or wages; and job losses.
- We have been mobilising Scottish Government and its agencies and public bodies, and aligning our existing resources, towards those areas with specific 'no deal' impacts.
- The UK Government has committed to non-regression of workers' rights however several prominent current and ex-UKG Ministers have expressed a desire to reduce EU-derived "red tape", specifically the Working Time Directive and measures designed to provide extra protections for Posted Workers. The Scottish Government rejects any regression in worker protections.
- Brexit has increased the risk of erosion and divergence of workers' rights from the current obligations under European Frameworks, however the Scottish Government is working to maintain alignment with these frameworks as a minimum measure, and is delivering a progressive fair work agenda to continue to develop and improve workers' rights.
- We have put Inclusive growth, fair working conditions and protections and opportunities for everyone who wants to live, work and settle in Scotland at the centre of our approach.
- Only the devolution of full employment powers will allow the Scottish Parliament to provide long term guarantees and help deliver our progressive fair work agenda and Scottish Ministers will continue to press the UK Government for these powers.

SKILLS, TALENT ATTRACTION AND RETENTION

ANNEX G

Background

In addition to the possibility of an end to free movement, the reduction in the economic argument in favour of migrating to Scotland from many countries, has emphasized the importance of migration from the rest of the UK. Current predictions for lower population growth highlight the need for the SG to develop a coherent and co-ordinated approach to attracting people with the right skills, to the right parts of Scotland, taking account of the specific challenges to rural areas of the country. Our approach to talent attraction is set out in the PfG 2019 and forms an important strand of the Population Task Force and Population and Migration Programme Board.

We have three strands of work aimed at addressing how to get skills and the labour market where it needs to be in Scotland:

1. Supporting our existing pool of labour
2. Retaining a skilled and talented workforce Scotland
3. Attracting new talent from the rest of the UK

Current Work Plan:

- Working with SDS to produce a national picture of current and future skills gaps and shortages by sector, region and occupation. The 'Skills Matrix' will help identify where demand for workers will be reliant on inward migration and therefore, where, talent attraction activity may need to be focused.
- Working with migration policy colleagues to scope out a talent attraction service drawing on the expertise of Skills Development Scotland and other agencies, including Talent Scotland. The service would increase advice and support for employers struggling to attract and retain a skilled workforce.
- Established a Talent Attraction Network to lead national approach to attracting, recruiting and retaining workers. Membership includes Skills Division, Marketing and Comms, policy leads with responsibility for workforce planning, enterprise agencies, Brand Scotland, Talent Scotland and SDS.
- Finalising shared narrative on Scotland's offer to people considering relocating to Scotland to work, building on Scotland is Now and linked to new Welcome to Scotland resource.

Engagement title	Meeting between the Cabinet Secretary, Minister and the co-chairs of the Fair Work Convention
Engagement timings	T3.21, Parliament
Background/Purpose	Fair Work Convention requested a meeting to discuss how the Convention and the Scottish Government can work together to deliver shared commitments from the Fair Work Action Plan.
Relevance to core script	<p>The Scottish Government and the Fair Work Convention share the vision for Scotland to be a Fair Work Nation by 2025.</p> <p>Fair work is at the heart of the Scottish Government's economic and social policies. Embedding Fair Work within and across Scottish workplaces will take a cross-government and cross-Scotland approach. The Fair Work Convention makes a valuable contribution in this regard.</p>
Meeting attendees	Grahame Smith and Patricia Findlay, Co-Chairs of the Fair Work Convention.
Media Handling	No
Social Media	Twitter Handle: @ScotGoveconomy @FairWorkScot
Official support	██████████ Deputy Director, Fair Work and Labour Market Strategy - ██████████ ██████████
Briefing contents	<ul style="list-style-type: none"> • Annex A – Fair Work Convention: background; achievements and future priorities • Annex B – Discussion points: background and lines • Annex C – Fair Work Action Plan: summary of progress on shared commitments and key areas of interest to the Convention • Annex D – Fair Work – Top Lines • Annex E – Labour Market – Top Lines • Annex F – Skills, Talent Attraction and Retention – Top Lines

FAIR WORK CONVENTION**BACKGROUND**

- The Fair Work Convention was established in 2015 as an independent advisory body to the Scottish Government and, in 2016 produced the Fair Work Framework, which underpins our Fair Work approach in Scotland.
- The Convention's ambition – shared by Ministers - is that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing & prosperity for individuals, businesses, organisations and for society.
- The Convention is co-chaired by Professor Patricia Findlay, Strathclyde University and Grahame Smith, STUC General Secretary.
- Members are: Henry Simmons, CEO Alzheimer Scotland; Shirley Campbell, Head of HR at Scottish Water; Lilian Macer, Scottish Convener, Unison; Satnam Ner, Babcock International/Prospect; and Mary Alexander, Deputy Scottish Secretary Unite. Ray Riddoch, CEO Nexen (Oil & Gas) recently resigned. The co-chairs are working to identify new members.
- The Convention is funded by the Scottish Government, ie £500k pa to cover salary costs of the SG Support Team and the Convention's programme of work.

ACHIEVEMENTS AND FUTURE PRIORITIES**Achievements over the past year:**

- Reviewed the functions and membership, with 3 new Convention members (noting that one has recently resigned due to work commitments).
- Completed an 18 month independent inquiry into Fair Work in the Social Care Sector and published a report on 26 February 2019.
- Supported SG Procurement colleagues to produce new Procurement Guidelines – advancing Fair Work through public sector procurement.
- Provided advice to various important pieces of work which have Fair Work implications including the Enterprise and Skills Strategic Board, South of Scotland Economic Partnership, and the Expert Group on the Collaborative Economy.
- Lobbied and provided technical advice on the Fair Work indicators in the National Performance Framework – resulting in the inclusion of indicators for every dimension in the NPF.
- Encouraged Scottish Ministers to incorporate Fair Work in the legislation to establish South of Scotland Enterprise.
- Worked to influence the UK Good Work agenda by engaging with Carnegie Trust UK to encourage them to take on the broader definition of Fair Work.

Priorities for the next 2 years:

- Launch an online self-assessment tool for employees which will help them to self-assess their workplace and access advice. This also acts as a data collection tool to help us measure progress towards being a Fair Work Nation by 2025.
- In 2019, roll-out a Fair Work Measurement Framework - together with a data visualisation tool.
- Publish the Fair Work Convention's Annual Report alongside the measurement framework, telling the story of progress so far.
- Develop an Animation, illustrating and promoting Fair Work in practice.
- Undertake an independent Construction Inquiry – to be launched before end of this year.
- Establish Strategic Partnerships with key employer bodies (and Scottish Government), initially: CBI, SCDI, SCVO, CIPD Scotland, and COSLA and develop a series of framework agreements setting out shared priorities and ways of working.
- New chairs and/or transitional arrangements in place by January 2020.
- Strengthen membership of the Convention.

FOCUS OF THE DISCUSSION

The co-chairs of the Convention wish discussions to focus on:

- Reflection on progress to date; and
- Future priorities to deliver the commitments shared by the Convention and Scottish Government.

The Cabinet Secretary / Minister may wish to:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

POSSIBLE DISCUSSION POINTS**Developing a strong Fair Work narrative**

Some ongoing concerns from employers that the Fair Work Framework is rather abstract and they need a more tangible explanation of what Fair Work means in practice. This view was reiterated at the Strategic Board in June (the Cabinet Secretary attended). Fair Work officials are working with the enterprise and skills agencies – with support from Grahame Smith - to develop a strong narrative which the SG, the agencies and wider stakeholders can all buy into and use to promote Fair Work to employers.

Lines

- Grateful to Grahame for agreeing to help officials to develop a strong Fair Work narrative.
- Important to get a common script, that we can all get behind and use.
- Needs to demonstrate the benefits of Fair and what employers should be doing to engage their workers in agreeing how they can jointly progress Fair Work in their organisation.

International Fair Work Summit

Ministers have agreed to hold an International Fair Work Summit in autumn 2020; the Convention agree with this approach. Officials have discussed with Tricia, concluding that a 2-day event would enable us to both cater for strategic/policy interests and allow for sharing good practice. The First Minister, Cabinet Secretary and Minister would be invited to participate and the hope would be to attract an international keynote speaker of similar standing, as well as relevant and high profile speakers and delegates from Scotland, the UK and wider.

More recently, the new PfG includes a commitment to host an international business-led summit to promote best practice on how business can help us work towards a wellbeing economy through sustainable growth, inclusion and protecting our environment. This has a strong read across and relevance to Fair Work, economic development and inclusive growth.

Lines

- Agree with the Convention that a Fair Work Summit should be a substantial and high profile event, and that holding it next autumn gives us the best chance of delivering a successful event.
- Separately, our new PfG commits to an international business-led summit to support our work to becoming a wellbeing economy has strong read across and relevance to Fair Work.

Fair Work Measurement Framework

The Fair Work Convention have developed a measurement framework to measure progress towards the ambition to be a Fair Work Nation by 2025. This uses a set of indicators based on the fair Work dimensions. It supports an App for employees to use to benchmark their work. The framework aligns with the National Performance Framework, Scottish Labour Market Strategy and Economic Strategy.

Lines

- This is an interesting and important development; I look forward to hearing more in due course.
- Important for the indicators you've developed to underpin other tools and resources being developed, eg the employer benchmarking tool – to ensure consistency in measuring Fair Work.

Fair Work Employer Benchmarking Tool

The Fair Work Action Plan commits to developing a benchmarking tool to help employers assess where they are on Fair Work and help them to access support to help them improve. This work is

MINISTERIAL ENGAGEMENT BRIEFING: MR HEPBURN

currently being scoped and will consider how to incorporate the indicators developed by the Convention for its Measurement Framework (outlined above).

Lines

- Employers have said they want to adopt fair working practices but need help. This tool will help.
- At embryonic stage. Important the tool aligns with the Convention's Measurement Framework, as it will set the standard for what employers need to do.

Fair Work First

We will attach Fair Work conditionality to as many grants, funding streams and public contracts as we can by the end of the Parliament. In 2019-20, Fair Work criteria is included in:

- Grants and contracts issued from the Fair Work budget (BITC Scotland; Poverty Alliance; the STUC and Impact Funding);
- Business support grants over £100k awarded by Scottish Enterprise;
- SG procurement for a £400m 7-year facilities management contract currently out to tender
- Sponsorship funding for the enterprise and skills agencies.

Fair Work policy are currently consulting employers to understand what the Fair Work First criteria means for to inform a proportionate and appropriate approach to avoid unintended consequences. Also working with partners to explore options for expanding the range of grants, funding and contracts to which Fair Work First should be applied. A Fair Work Implementation Plan will be published soon.

Lines

- Fair Work First has the potential to really get Fair Work into workplaces
- But using conditionality is not straightforward. We need to get it right and will take an incremental approach, taking account of the different contexts employers are operating in.
- Fair Work officials currently consulting employers on what the Fair Work First criteria means for them in practice. They will be in touch with you in due course to get your views.

Fair Work Convention's Strategic relationship with employer organisations

The Fair Work Convention are developing strategic partnerships with key employer organisations (and the Scottish Government) to gather support and momentum for Fair Work across Scotland. As well as getting leadership from the bodies this will help extend the reach of Fair Work into relevant membership and stakeholder groups. The Convention will write soon to an initial tranche of organisations: SCDI, COSLA, CIPD, SCVO and CBI. Framework agreements will be developed with the organisations, setting out shared priorities and ways of working.

Lines

- [REDACTED]

Increasing collective bargaining coverage

The Fair Work Action Plan commits to working with the STUC to increase the number of workers covered by collective bargaining. The focus is currently on four sectors: hospitality, social care, early years & childcare and construction. Officials are engaging with SG policy teams and trade unions; and the STUC are currently mapping existing industry standards and UK national and collective agreements.

Lines

- Fair work and other relevant policy teams are engaging with relevant trade unions and the STUC are mapping existing industry standards and UK national and collective agreements.

SUMMARY OF PROGRESS ON FAIR WORK

SHARED ACTIONS FOR SCOTTISH GOVERNMENT AND THE FAIR WORK CONVENTION	
Action committed to in the Fair Work Action Plan	Progress update
<p>Co-host an International Fair Work Summit with the Fair Work Convention Scottish Government will work with the Fair Work Convention to organise and host an international Fair Work Summit in 2019/20. This will showcase Scotland's approach to Fair Work on an international stage, making connections across the Fair Work movement in Scotland, the UK and Europe. It will also provide opportunity to enhance collaboration with European partners in order to secure a continued focus on Fair Work after EU exit.</p>	<ul style="list-style-type: none"> • The Fair Work Action Plan commits to hosting an international Fair Work Summit in 2019. • The Cabinet Secretary and Minister have agreed to hold the Summit in autumn 2020; the FWC agree with this approach. • This provides the lead-in time required to attract relevant and highly regarded speakers; design an event that both caters for policy/strategic interests and demonstrates Fair Work in practice; and to promote the summit to targeted audiences across Scotland, the UK and internationally. • Along with procuring a suitable event manager, this would give the best chance of delivering a highly successful event. • It also enables proper consideration to be given to aligning the new PfG commitment to host an international summit focusing on the wellbeing economy (see below). <p>New Programme for Government commitment</p> <ul style="list-style-type: none"> • Moreover, the 'Wellbeing governments' section of the new Programme for Government includes a commitment to host <i>an international business-led summit to promote best practice on how business can help us work towards a wellbeing economy through sustainable growth, inclusion and protecting our environment.</i> • The conference has initial support from the OECD and Business in the Community Scotland, but also strong links to SG's international partners on the Wellbeing Governments (WEGo) initiative, including Iceland and New Zealand. • This has a strong read across and relevance to a range of areas across the Scottish Government, including Fair Work, economic development and inclusive growth. The Fair Work team will work closely with OCEA colleagues to capture synergies and join-up where appropriate. • Holding the Fair Work Summit in Autumn 2020 will enable us to establish the best approach for meeting the existing commitment to deliver an International Fair Work Summit with the Convention, <u>and</u> the First Minister's commitment to the new PfG.
<p>The SG will take forward actions related to the Fair Work Convention's Social Care Report</p> <ul style="list-style-type: none"> • During the development of the <u>Fair Work Framework</u>, the social care sector was identified as having significant strengths and best practice but was also recognised as being under some strain, with significant challenges to Fair Work being experienced by many frontline staff in the sector. The Fair Work 	<p>Social Care Policy Team are taking forward priorities from the FWC's Social Care report, as follows:</p> <ul style="list-style-type: none"> • The Living Wage Implementation Group (LWIG) last met in August to consider their role in responding to the Social Care Inquiry. The Group includes Scottish Government, Scottish Care, COSLA, Coalition of Care and Support Providers in Scotland.

MINISTERIAL ENGAGEMENT BRIEFING: MR HEPBURN

<p>Convention noted the lack of security for social care staff; poor terms and conditions; significant difficulties in staff recruitment and retention, and commissioning / procurement practices which seem to work against both Fair Work and person-centred care. The Convention undertook an inquiry into Fair Work in Social Care and published its report: <u>Fair Work in Scotland's Social Care 2019</u> in February 2019.</p> <ul style="list-style-type: none"> The Scottish Government will work with partners to consider and respond to the recommendations set out in the Convention's Social Care Inquiry Report to ensure fair work is embedded in the delivery of social care services including the procurement process. 	<ul style="list-style-type: none"> The LWIG, STUC and the Chief Officer Network agreed that: <ul style="list-style-type: none"> The Group would take on a more strategic function in relation to Fair Work for the social care workforce; The group will be re-branded 'The Fair Work in Social Care Implementation Group' and membership will be reviewed and expanded accordingly; and The issues and recommendations from the FWC Report provides the scope for the group. Over the next few months Social Care Policy Team will work with COSLA and the Fair Work Implementation Group to: <ul style="list-style-type: none"> agree the remit, scope, structure and purpose for the FWIG; develop a joint Scottish Government/COSLA statement of intent in response to the Fair Work in Scotland Report (Autumn 2019); establish the membership of the FWIG (including appointment of an independent chair/vice chair for the group); and agree its priorities.
<ul style="list-style-type: none"> The SG are committed to working with employer organisations to implement the Fair Work Action Plan. We will also continue to work with the Fair Work Convention to promote understanding and application of the Fair Work Framework in workplaces across the country. The Fair Work Convention's 2019/20 work plan also includes a focus on employer engagement. We will work with the Fair Work Convention to develop and implement a coherent and collaborative Fair Work narrative and communications strategy, which captures the essence of Fair Work in practice. 	<ul style="list-style-type: none"> The Fair Work Convention will write soon to employer bodies to build strategic relationships as a way to extend the reach of Fair Work into employer network. The suggest bodies thus far are: SCDI; COSLA; CIPD; SCVO; and CBI Fair Work Policy team is currently consulting employers to understand what Fair Work First will mean in practice for different types and size of business and different sectors and geographies. This will inform further implementation of Fair Work First. In response to a request from the Enterprise & Skills Strategic Board, Fair Work officials and the agencies - with support from Grahame Smith - are working together to develop a 'plain English' Fair Work Narrative which agency staff, SG and key stakeholders can buy-into and use to promote Fair Work.
<p>In 2019, in consultation with the Fair Work Convention, we will develop a tool that will allow employers to benchmark their policies and practices against the dimensions Fair Work. This will encourage employers to critically assess their organisations in order to better understand their strengths and weaknesses.</p> <ul style="list-style-type: none"> The benchmarking tool will identify practical steps that employers can take to progress their Fair Work journey and will signpost to further advice and support. 	<ul style="list-style-type: none"> Fair Work policy team currently scoping what this tool would seek to achieve and will engage with key stakeholders, including the Fair Work Convention, STUC, employers and employer bodies to agree the scope. The Benchmarking tool will align with the Fair Work Convention's measurement indicators, and their employee-facing App-based survey (to be launched this year). Discussions also to be held with Scottish Enterprise to ensure the Benchmarking Tool aligns with / compliments employer support being developed through the Strategic Board Business Model & Workplace Innovation Mission.
<p>On worker protections, the Scottish Government will:</p>	<p>This action has not yet been progressed and Fair Work officials will consider the matter in developing other employer support tools.</p>

MINISTERIAL ENGAGEMENT BRIEFING: MR HEPBURN

<ul style="list-style-type: none"> Engage with the Fair Work Convention, trade unions and platform hosts to help employers in the collaborative economy understand and embed the dimensions of Fair Work. 	
<p>The Fair Work Convention will undertake an inquiry into Fair Work in the Construction sector in 2019. This recognises that the construction sector experiences significant challenges in terms of Fair Work practices. While Scotland has made progress in applying Fair Work to public procurement contracts, the Convention has highlighted the need for more robust monitoring and evaluation of how Fair Work is being applied in practice.</p>	<p>The inquiry is due to start in 2019.</p>
<p>Fair Work Indicators Building on the NPF and working with the Fair Work Convention, Scottish Government will develop and adopt a set of indicators to measure progress in delivering a Fair Work Nation.</p>	<ul style="list-style-type: none"> The FWC have developed a measurement framework, comprising a range of indicators for measuring progress on key aspects of Fair Work, aligned with the fair work dimensions. The Framework will be rolled out in 2019.
<p>OTHER KEY ACTIONS</p>	
<p>Fair Work First We will attach Fair Work conditionality to as many grants, business support grants and public contracts as we can by the end of the Parliament. This asks employers to commit to:</p> <ul style="list-style-type: none"> - payment of the real Living Wage - no inappropriate use of zero hour contracts - action to tackle the gender pay gap - investment in skills and training - genuine workforce engagement <p>Scottish Enterprise will attach Fair Work conditionality to large business support grants starting from April 2019.</p>	<ul style="list-style-type: none"> A Fair Work Implementation Plan will be published soon – through a Government Initiated PQ, and in Splce. Fair Work conditionality is already been applied to: <ul style="list-style-type: none"> Grants and contracts issued through the SG's Fair Work budget. Large business support grants (over £100k) awarded by Scottish Enterprise. The procurement process for a £400m public sector facilities management contract currently out to tender. All of the enterprise & skills agencies will be expected to apply Fair Work conditionality to funding awarded from April 2020.
<p>Increasing collective bargaining coverage The Fair Work Action Plan commits to working with the STUC to increase the number of workers covered by collective bargaining. The focus is currently on four sectors: hospitality, social care, early years & childcare and construction.</p> <p>Officials are engaging with SG policy teams and trade unions; and the STUC are currently mapping existing industry standards and UK national and collective agreements.</p>	<ul style="list-style-type: none"> The initial focus is on 4 key sectors – hospitality, social care, early years & childcare and construction. Fair work and other relevant policy teams have met with relevant trade unions to discuss issues and agree how to take this work forward. The STUC are currently mapping existing industry standards and UK national and collective agreements.
<p>Fair Work in public bodies Ministers expect public sector to lead the way on Fair Work.</p>	<ul style="list-style-type: none"> The Cabinet Secretary wrote to public bodies on 29 August encouraging them to work with their trade union partners to adopt the terms of the Scottish Government's Fair Work Agreement with the relevant civil service trade unions. The Agreement illustrates the commitment to embedding Fair Work into local employment policy and practice in the Civil Service sector. It aligns with the Fair Work Framework. Fair Work is prominent in the Ministerial strategic guidance to the enterprise and skills agencies for 2019-20. Ministerial guidance for all public bodies will include SG's expectations on Fair work.

FAIR WORK

Top lines

- The Fair Work Action plan published on 27 February, sets out how we will deliver our ambitions on fair work across Scotland.
- Fair Work is central to our economic strategy: it is good for workers, good for business and good for Scotland.
- The Action Plan sets out the approach we will take to help employers embed fairer working practices within their workplaces.
- It was developed in consultation with the STUC, the Fair Work Convention, employers and other stakeholders.
- The Action Plan will be regularly reviewed and refreshed to reflect the progress being made.
- It focuses on actions to:
 - Support employers to adopt Fair Work practices;
 - Deliver Fair Work to a diverse and inclusive workforce; and,
 - Embed Fair Work across the Scottish Government.

Actions include:

- It will deliver the refreshed Scottish Business Pledge, which aligns more closely to the Fair Work Framework.
- Through our Fair Work First approach, 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
- We will create a new Fair Work service for small and micro employers so they can access support and guidance from a central point
- We will co-host an International Fair Work Summit with the Fair Work Convention to showcase Scotland's achievements in this field.
- We have extended the Workplace Equality Fund in 2019/20 with £800,000 of funding. Projects addressing inequalities in the labour market are due to begin in October (2019).
- We will support trade unions to embed Fair Work in workplaces with continued funding for the Fair Work and Trade Union Modernisation Fund.
- We will work in partnership with the STUC to increase the number of workers covered by collective bargaining in Scotland.
- We will increase the number of people employed who are paid at least the real Living Wage, focusing on traditionally low paid sectors and locations.
- We will embed Fair Work across Scottish Government portfolios through developing directorate-level Fair Work Action Plans.
- Strategic direction will be provided by the Fair Work and Gender Equality Ministerial Working Group.
- We will continue to engage with the UK Government to enhance worker's rights.

The action plan has been welcomed by the STUC

- The STUC general secretary Grahame Smith said:
QUOTE: *"The Fair Work Action Plan demonstrates a commitment to using the powers the Government has at its disposal to deliver fair work, which is good for workers and good for business.
 "Through Fair Work First, it lays the foundations for ensuring that fair work is mainstreamed throughout the Scottish Government's role as a provider of major contracts and grants for business.
 "Crucially, it recognises the fundamental importance of strong unions in achieving fair work."*

FAIR WORK FIRST**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 to receive support, companies will have to:
 - Show appropriate commitment and investment in skills and training.
 - Demonstrate they do not use of zero hours contracts.
 - Take action to tackle the gender pay gap.

MINISTERIAL ENGAGEMENT BRIEFING: MR HEPBURN

- Display genuine workforce engagement.
- Pay the real Living Wage.
- Fair Work First will harness the financial power of the Scottish Government and be developed with trade unions, business and the public sector.
- It builds on the Programme for Government commitment to introduce fair work criteria to Scottish Enterprise job-related grants in 2019-20.
- This move was also welcomed by the STUC.

Fair Work First Implementation

- We are taking a phased, two-pronged approach to implementing Fair Work First:
- Using conditionality as a lever:
 - from 2019-20, Scottish Enterprise will pilot attaching Fair Work criteria to RSA grants, i.e. no inappropriate use of zero hours contracts; payment of the real Living Wage; reporting on gender pay gap.
- Scottish Government and the other public bodies will take the lead in adopting Fair Work First within their own organisations:
 - SG recognises that many public bodies are already making progress on mainstreaming fair work;
 - We have asked the enterprise and skills agencies to be early adopters in 2019-20;
 - We will work with the other public bodies to bring them on board by 2020-21;
 - This should not detract all public bodies from promoting Fair Work in relevant procurement and contracting processes.
- Over the coming year, we will engage with public sector partners, industry, the third sector and trade unions to test and refine Fair Work First criteria and approach to support wider implementation by 2021.
- Simultaneously, Scottish Government Procurement will develop a suitable approach for extending Fair Work First to public sector contracts by 2021, building on existing conditionality and working with employers and other stakeholders.

This move was also welcomed by the STUC

- Grahame Smith, STUC General Secretary said (9 October 2018):
- **QUOTE:** *"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."*

LABOUR MARKET

LABOUR MARKET TOP LINES

- Under a 'no deal' there will likely be a reduction in economic activity including reduced recruitment (new and replacement); a reduction in individuals' working hours or wages; and job losses.
- We have been mobilising Scottish Government and its agencies and public bodies, and aligning our existing resources, towards those areas with specific 'no deal' impacts.
- The UK Government has committed to non-regression of workers' rights however several prominent current and ex-UKG Ministers have expressed a desire to reduce EU-derived "red tape", specifically the Working Time Directive and measures designed to provide extra protections for Posted Workers. The Scottish Government rejects any regression in worker protections.
- Brexit has increased the risk of erosion and divergence of workers' rights from the current obligations under European Frameworks, however the Scottish Government is working to maintain alignment with these frameworks as a minimum measure, and is delivering a progressive fair work agenda to continue to develop and improve workers' rights.
- We have put Inclusive growth, fair working conditions and protections and opportunities for everyone who wants to live, work and settle in Scotland at the centre of our approach.
- Only the devolution of full employment powers will allow the Scottish Parliament to provide long term guarantees and help deliver our progressive fair work agenda and Scottish Ministers will continue to press the UK Government for these powers.

SKILLS, TALENT ATTRACTION AND RETENTION

ANNEX G

Background

In addition to the possibility of an end to free movement, the reduction in the economic argument in favour of migrating to Scotland from many countries, has emphasized the importance of migration from the rest of the UK. Current predictions for lower population growth highlight the need for the SG to develop a coherent and co-ordinated approach to attracting people with the right skills, to the right parts of Scotland, taking account of the specific challenges to rural areas of the country. Our approach to talent attraction is set out in the PfG 2019 and forms an important strand of the Population Task Force and Population and Migration Programme Board.

We have three strands of work aimed at addressing how to get skills and the labour market where it needs to be in Scotland:

1. Supporting our existing pool of labour
2. Retaining a skilled and talented workforce Scotland
3. Attracting new talent from the rest of the UK

Current Work Plan:

- Working with SDS to produce a national picture of current and future skills gaps and shortages by sector, region and occupation. The 'Skills Matrix' will help identify where demand for workers will be reliant on inward migration and therefore, where, talent attraction activity may need to be focused.
- Working with migration policy colleagues to scope out a talent attraction service drawing on the expertise of Skills Development Scotland and other agencies, including Talent Scotland. The service would increase advice and support for employers struggling to attract and retain a skilled workforce.
- Established a Talent Attraction Network to lead national approach to attracting, recruiting and retaining workers. Membership includes Skills Division, Marketing and Comms, policy leads with responsibility for workforce planning, enterprise agencies, Brand Scotland, Talent Scotland and SDS.
- Finalising shared narrative on Scotland's offer to people considering relocating to Scotland to work, building on Scotland is Now and linked to new Welcome to Scotland resource.