

- Aims: Setting context around four-day work week, before considering scope and design given SNP Manifesto commitment, and lastly considering stakeholder views.
- Context: the well-being economy, employment, flexible working and working hours, pilot design and wider opportunities.
- Wellbeing economy: considers both economic sphere and social sphere. Shorter working week could help reduce CO2 emissions, productivity and work-life balance. Possible but uncertain impacts on aspects such as income and employment, and gender equality.
- Flexible working and shorter working weeks are becoming more common but full-time work continues to be the norm, with working weeks of 40hrs for men and 38 for women on average.
- Public sector – working hours varies, with highest across police force.
- Pilot questions considered – scope: plurality of firms reflecting structure of sectors across Scotland, including those who may find it easier (e.g. IT, administration services) and those who may find it more challenging (e.g. hospitality, labour-intensive industries). Length: Would need to be at least 6 months, ideally up to one year. Subsidy: what proportion of employer costs would be subsidised? Metrics: ‘hard’ indicators required as well as robust qualitative assessments. Public sector to be included in this pilot, a separate one or not at all? Also considering aspects to avoid, e.g. those who already have highly flexible working regimes already.
- Precise definition required: 20% reduction in working hours, or average hours, etc.?
- Positive feedback gathered from unions, lobbying organisations, less positive from employer organisations – reactions ranged from sceptical to hostile.
- We’re very keen to learn from international experiences but, to date, we have found that the reality often doesn’t match up to the reporting: there are few genuine trials from which we can derive useful learning. The majority have been undertaken in small-scale environments, run by individual companies who often have flexible working arrangements.
- We have already established contacts with officials leading on the Spanish trial, held an initial meeting at the end of May and agreed to maintain contact as our respective plans develop.
- Icelandic study – Between 2015-2019, Iceland conducted test cases of a 35-36 hours workweek without any calls for a related cut in pay. Combined, the two trials came to encompass more than 1% of the country’s working population (which is around 5% of Scotland’s). Reported impacts included improved productivity, with service provision remaining the same or improving amongst the majority of workplaces. However, challenging aspect in healthcare particularly as more staff required to maintain service provision, costing £24.2 million due to increased staffing in healthcare for the most part — two-thirds of the total costs were estimated to be in healthcare alone. Results were analysed by Autonomy and the Association for Sustainability and Democracy – both specifically campaign for the four-day work week, thus not unbiased research.

Cabinet Secretary’s key asks:

- Who are our key stakeholders – critics, advocates, etc.? How do we find businesses representative of Scottish economy that are willing to take part – long-term impact in businesses.
- CBI is right – we are battling poor productivity with a five-day working week. We would need to resolve the baseline issue and ensure extra productivity to realise increases we want to see.
- Therefore two asks: More of an in-depth look around productivity – what is the metric that justifies a four-day working week. What does success look like from an economic perspective. Which businesses will take part and what are we offering in exchange, given our financial support may be short-term?

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- Build shortlist of potential companies and engage with them.
- Needs to be demonstrated in private sector rather than public sector at least for the most part – which already has increasing flexible working arrangements – to ensure buy-in.
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Timeline:

- Would rather get right than have this be in PfG, even if mentioned in brief.
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Annex B

10 March 2022 10:30 – 11:00 Meeting 4 Day Working Week – Ms Forbes

Purpose

- Overview of the 4 Day Working Week Pilots (4DWW), in both the public and private sector including commonality of aims and objectives and differences in type of organisations being trialled.
- The £10 million funding commitment as set out in the manifesto was originally earmarked for companies in the private sector.
- Green Party interest in the public sector pilots during budget discussions led to its inclusion in the 2022-23 pay policy.
- Purpose of the call is to focus how to progress 4DWW pilot in the public sector – which is connected to Pay Policy from 1st April.
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Key Decisions

Information redacted due to exemption being applied under section 29(1)(a) of FOISA

Actions/Next Steps

Engagement with Green Party - Leanne Dobson will have a chat with Green Party Special Advisors Gavin [Corbett?] to see if he flags anything of concern.

Update for Cabinet and FM: Pay policy team will draft a note to circulate a note to Cabinet and FM around the progress of the pilot.

Guidance for pilot: Pay policy team will draft guidance for the pilot and will share with Cab Sec for approval.

Annex C

An exemption under section 29(1)(a) of FOISA (formulation or development of government policy) applies to some of the information requested because it relates to the development of the Scottish Government's policy on the four day work week pilots. The relevant information is has been redacted from the minutes detailed at Annex B.

This exemption is subject to the 'public interest test'. Therefore, taking account of all the circumstances

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of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exemption. We have found that, on balance, the public interest lies in favour of upholding the exemption. We recognise that there is a public interest in disclosing information as part of open, transparent and accountable government, and to inform public debate. However, there is a greater public interest in high quality policy and decision-making, and in the properly considered implementation and development of policies and decisions. This means that Ministers and officials need to be able to consider all available options and to debate those rigorously, to fully understand their possible implications. Their candour in doing so will be affected by their assessment of whether the discussions on the development of the four day week pilots will be disclosed in the near future, when it may undermine or constrain the Government's view on that policy while it is still under discussion and development.

Yours sincerely

Denise Grieve
FWLMS : Labour Market Strategy

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



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