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# FAIR WORK ACTION PLAN

Boosting productivity by developing  
Scotland as a world-leading Fair Work Nation

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# 1. MINISTERIAL FOREWORD

## **We want Scotland to be the best place to live, work, invest and do business.**

Fair Work is the foundation for this, and indeed, a prerequisite for it to happen in a sustainable way. We believe that Scotland can make strides in Fair Work that will underpin our economic success, as well as the wellbeing and prosperity of our people, communities and businesses.

We know that many employers are already applying Fair Work practices and we know that Scotland's leading firms are as productive as elsewhere. However, we also know that we need to do more to engage with those employers to share best practice so that we can unleash the creativity, talent and skills of all Scotland's people. We believe that our public sector can work in genuine partnership with the private and third sectors to create the conditions for this to happen.

Fair Work is an investment in everyone for everyone. Fair Work can improve organisational reputation and recruitment, reduce staff turnover, and lead to diverse workplaces with a richness of talent and a diversity of ideas.

For workers, it brings increased financial security, better physical health and greater psychological wellbeing. For business, it brings more engaged, committed and adaptable workers who spot challenges and opportunities, solve problems, offer insight and ideas for business improvement and create value.

Fair Work is also about breaking down and removing barriers to opportunity. We are all faced with the immediate risks of Brexit. It has therefore never been more important to make the most of the ingenuity and contribution of our people.

All organisations are adapting to changes in demographics, working patterns, skills needs and technological trends. We understand that this places pressure on employers to reduce costs and deliver more. We will ask employers to work with us to meet those challenges, putting Fair Work at the heart of the Scottish approach to growing the economy. This is the essence of Fair Work First.

And the Scottish Government, as an employer, will show leadership on how Fair Work can drive up productivity and maximise opportunity for employees.

We will work in partnership with employers across all sectors, with workers, the Scottish Trades Union Congress and the Fair Work Convention to ensure Scotland remains at the forefront of progressive policy thinking and action around Fair Work.

I am delighted to announce that the Scottish Government and the Fair Work Convention will host governments and organisations from across the globe at an international Fair Work Summit later this financial year to share best practice and show off what Scotland has already achieved.

I look forward to working together as we take the next steps in creating the Fair Work Nation that we all aspire to.

**Jamie Hepburn MSP**  
Minister for Business, Fair Work and Skills

February 2019

## 2. PURPOSE

**Fair Work can drive productivity, release untapped potential and inspire innovation - all of which add value to jobs and to business and in turn create stronger, more sustainable and inclusive growth.**

Increasing the quality of jobs can support the reform of our public services and improve outcomes for the people of Scotland. Fair Work is also crucial to our collective ambition to eradicate child poverty by supporting families with children gain more income through employment and providing flexible job opportunities that respect caring responsibilities and other commitments workers may have.

The Scottish Government's commitment to promoting Fair Work is set out in [Scotland's Economic Strategy](#), [National Performance Framework](#), [Economic Recovery Implementation Plan](#) and our [Labour Market Strategy](#). Fair Work is also a key theme for the Enterprise and Skills Strategic Board.

The Fair Work Action Plan forms part of a suite of Labour Market Action Plans being developed by the Scottish Government to help focus policies and resources on progressing national indicators and delivering national outcomes. This also includes the:

- [A Fairer Scotland for Disabled People: employment action plan](#)
- [Gender Pay Gap Action Plan](#)
- Future Skills Action Plan

Despite the fact that powers over employment law are currently reserved, the Scottish Government recognises that it has an important leadership role in promoting Fair Work. Our distinct, progressive and collaborative approach has put Scotland at the forefront of this agenda. This includes

the establishment and continued support of the independent Fair Work Convention, our approach to Fair Work in public procurement and the inclusion of Fair Work indicators in the National Performance Framework.

The [Fair Work Convention](#), which independently advises the Scottish Government on Fair Work, published its [Fair Work Framework](#) in 2016. It sets a vision that, by 2025, people in Scotland will have a world-leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.

The Fair Work Framework defines Fair Work as work that offers [effective voice](#), [respect](#), [security](#), [opportunity](#) and [fulfilment](#); it balances the rights and responsibilities of employers and workers, and can generate benefits for individuals, organisations and society.

The Convention developed the Framework to be used as a guide to best practice for everyone in the workplace; to help improve understanding of Fair Work, benchmark existing practice, and to identify areas where improvement can be made.

The actions the Scottish Government is taking through the Fair Work Action Plan cover three broad themes aiming to:

1. Support employers to adopt Fair Work practices.
2. Deliver Fair Work to a diverse and inclusive workforce.
3. Embed Fair Work across the Scottish Government.



# 3. ACHIEVEMENTS

Given employment powers remain with Westminster, our approach to delivering Fair Work is built on collaboration, engagement, and using our wider powers and policies to exert strategic influence. While more can be done, we should recognise the progress that has been made through this partnership approach, including:

- Meeting and exceeding our target of 1000 Scots-based [living wage accredited employers](#) (now over 1300).
- Almost 600 [Scottish Business Pledge](#) signatories.
- Introducing [Statutory Guidance on Addressing Fair Work Practices, including the real Living Wage, in Procurement](#) and supporting [Best Practice Guidance](#) and [Toolkit](#).
- Introducing the [Workplace Equality Fund](#) to deliver employer-led innovative solutions to overcome workforce inequality.
- Introducing the [Women Returners Programme](#) to assist women to re-enter the workforce following a career break.
- Establishing the [Carer Positive](#) scheme to encourage flexible, fair and supportive policies to support carers in the workforce.
- Promoting development of flexible workplaces through continued funding of [Family Flexible Working Scotland](#).
- Collaborating with the [Scottish Trades Union Congress](#) (STUC) to publishing the [Severe Weather Charter](#) which sets out Fair Work principles to help employers manage severe weather situations.
- Jointly publishing the [Facility Time Reporting Guidance](#) with the STUC.
- Reaching a Fair Work Agreement between Scottish Ministers and Civil Service Trade Unions.

## 4. OVERVIEW OF ACTIONS

### Supporting employers to adopt Fair Work practices

We recognise there are challenging times ahead. The high priority accorded to Fair Work during the COVID-19 pandemic by both the Scottish Government and key stakeholders signals the importance of Fair Work to workers, businesses and the economy. There is broad agreement that Fair Work must be at the heart of Scotland's economic recovery and renewal.

By working in partnership with employers, workers and trade unions, we aim to build on the extensive evidence base that demonstrates Fair Work is good for business, as well as for workers, and that by embedding Fair Work in workplaces now, businesses are more likely to benefit from sustainable growth.

We 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.

The Scottish Government is already working with businesses in a number of important areas including:

- Establishing the Scottish National Investment Bank and National Manufacturing Institute for Scotland.
- Creating a single digital portal for business support – spanning our agencies and simplifying and accelerating the process of accessing our support.
- Launching £20 million of support to businesses looking to increase exports.
- Showcasing Scottish businesses and assets to investors and people around the world, through the Scotland is Now campaign.
- Committing over £1 billion to deliver 100% coverage of city region growth deals throughout Scotland and supporting a diverse and vibrant rural economy.
- Expanding the role of the CAN DO Business Innovation Forum to enable it to consider and take action on the economic opportunities and challenges of new technologies.
- Supporting Entrepreneurial Scotland to play a broader role in helping Scotland become a world-leading entrepreneurial and innovative society.
- Launching a 'Come to Scotland campaign' to attract talent and investment and help mitigate the impact of Brexit.

In response to employer engagement already undertaken, we are committing to a range of actions to support employers adopt and benefit from fairer workplace practices.

#### We will:

- Work with employers and partners to deliver Fair Work First.
- Develop a Fair Work Framework benchmarking tool to help employers assess their current practices and provide guidance on how to make their workplaces fairer.
- Create a new online Fair Work service for small and micro employers so they can access support and guidance from a central point.
- Deliver the refreshed Scottish Business Pledge to build scale, impact and capability.
- Instil a Fair Work ethos in our future workforce and business leaders.
- Co-host an International Fair Work Summit with the Fair Work Convention.

## Delivering Fair Work to a diverse and inclusive workforce

These actions highlight current and planned work of the Scottish Government and stakeholders, including the [STUC](#), the [Fair Work Convention](#) and [The Poverty Alliance](#) to address challenges in delivering Fair Work in specific sectors.

### We will:

- Extend the Workplace Equality Fund to align with the Fair Work First commitment.
- Continue to support strong trade unions.
- Promote collective bargaining.
- Promote Fair Work in the collaborative economy.
- Promote Fair Work in the construction sector.
- Take forward actions related to the Fair Work Convention's Social Care Report.
- Increase the number of people employed who are paid the real Living Wage and in secure work.
- Promote awareness of and flexibility for unpaid carers.

## Embedding Fair Work across the Scottish Government

The Enterprise and Skills Board's Strategic Plan recommended that the Scottish Government "embed progressive business models, workplace innovation and Fair Work in all instruments of government and agencies, ensuring business support is conditional upon a commitment to Fair Work".

Fair Work First is an important statement of our intent in this area.

Embedding Fair Work across all of our functions will be challenging. To support that process, we will take a number of actions.

### We will:

- Ensure continued Ministerial direction and support through Fair Work and Gender Equality Ministerial Working Group.
- Appoint a Scottish Government Fair Work Champion.
- Develop Directorate-level Fair Work Action Plans.
- Engage with the UK Government and devolved nations on Fair Work and employment law.
- Demonstrate leadership as an employer
- Measure, monitor and report on progress in becoming a Fair Work Nation.

## 5. FAIR WORK FIRST

**Fair Work First focuses on encouraging and supporting employers to create more diverse and inclusive workplaces where workers have security of pay and contract, can develop and utilise their skills and have an effective voice in the workplace.**

Through Fair Work First, the Scottish Government will use its financial power to make fair work the norm.

We are committed to working in partnership with employer organisations and employers representing a broad spectrum of sectors as we deliver Fair Work First. We are also committed to working with stakeholders as we develop and implement Fair Work First and determine how it should apply to employers of different size and sector and in different geographical areas. Our phased approach to implementation will take account of the economic context, including the impact of EU exit and COVID-19.

Fair Work First asks employers to commit to adopting the following criteria:

- Appropriate channels for effective voice, such as trade union recognition.
- Investment in workforce development.
- No inappropriate use of zero hours contracts.
- Action to tackle the gender pay gap and create a more diverse and inclusive workplace.
- Payment of the real Living Wage.

**Note:** In line with policy priorities and stakeholder views, the criteria were updated in August 2019 to address specific challenges in the labour market.

We believe that adopting such practices can make businesses more competitive by improving talent attraction, reducing staff

turnover and absenteeism while improving motivation and workforce engagement.

By the end of this Parliament, wherever it is appropriate to do so, we will:

- extend Fair Work First criteria to every type of grant, funding stream, and business support budget open to us; and
- extend the range of Scottish Government and public sector contracts that Fair Work First criteria will apply to.

In 2019/20, we will test this new approach by attaching Fair Work First criteria to Regional Selective Assistance (grants available for projects which will create or protect jobs in Scotland) and other large Scottish Enterprise job-related grants. This will focus on grant recipients paying the real Living Wage, no inappropriate use of zero hours contracts and meeting the legislative requirements to publish information on the gender pay gap. We will use the lessons learnt to inform our discussions with employer organisations and employers as we take forward Fair Work First.

We will also work with employers to develop tools to help reflect on their current practices and to consider how they could implement and evidence Fair Work First criteria. Additionally, support for Fair Work First will be part of the single portal for business currently being developed following a recommendation of the Enterprise and Skills Review.

**Note:** [Fair Work First Guidance](#) was published on 29 January 2021 to support employers to adopt the Fair Work First criteria. It explains the Fair Work First approach, provides good practice examples to guide employers' approaches and explains the Fair Work benefits for workers and organisations.



## 6. FAIR WORK FRAMEWORK BENCHMARKING TOOL

In 2019, in consultation with the [Fair Work Convention](#), we will develop a tool that will allow all employers to benchmark their policies and practices against the dimensions of the [Fair Work Framework](#). This tool will encourage employers to critically assess their organisations in order to better understand their strengths and weaknesses.

The benchmarking tool will identify practical steps that employers can take to progress their Fair Work journey and will signpost the employer to further advice and support.

**Note:** A [Fair Work Employer Support Tool](#) was launched on 29 January 2021 to enable employers to self-assess their fair work practices and access support to strengthen their approaches.

# 7. ONLINE SERVICE FOR SMALL AND MICRO EMPLOYERS

**During 2019, we will work with employers and employer organisations to develop support for small and micro employers seeking to adopt Fair Work practices in their businesses. This action recognises the challenges that smaller employers face, particularly those without their own human resource departments or employees.**

The support will include access to online advice, linked to the Enterprise and Skills single portal, and will build on existing networks to bring information and advice into a coherent, accessible and sustainable gateway.

**Note:** The [Fair Work Employer Support Tool](#) was launched on 29 January 2021 to enable employers to self-assess their fair work practices and access support to strengthen their approaches. The tool currently aims to support small and medium-sized enterprises and will be further developed to support very small and micro organisations.

# 8. DELIVERING A REFRESHED SCOTTISH BUSINESS PLEDGE

The [Scottish Business Pledge](#) provides a means of bringing together the main themes identified in [Scotland's Economic Strategy](#) as the drivers of inclusive, economic growth – innovation, internationalisation, and investment in our people. It offers a mechanism for business to understand how they can demonstrate their contribution to Scotland's [National Performance Framework](#) and Scotland's [Fair Work Framework](#). The elements focus on progressive business practices that have been shown to increase productivity and competitiveness.

In 2018 we conducted a review of the Scottish Business Pledge. In response to feedback from that review, we will refresh the structure of the Business Pledge to ensure alignment with the Fair Work Framework and relevance to Fair Work First is clear.

To refresh the Business Pledge structure and approach, we will:

- Keep the real Living Wage as the core element of the Business Pledge.
- Retain the light touch/trust based registration model valued by business.
- Refresh the language around the employment aspects of the Business Pledge to fully reflect the Fair Work Framework and wider inclusive growth ambitions.
- Include an additional core element that focuses on improving workforce Diversity, particularly around the Gender Pay Gap.
- Add environmental impact as a new Business Pledge element.

- Develop a new “menu” approach that retains the core ask (Living Wage and two other elements), and seeks commitment to adopt a further five from the remaining seven elements over time. This will offer businesses an opportunity for a more tailored approach to the circumstances of each organisation.
- Support signatories to the Business Pledge to achieve or progress on each of the elements through a business to business learning network.
- Build momentum and impact through a Business Pledge leadership group that will offer strategic direction to the learning network and to promotion of the Business Pledge.
- Work with existing Business Pledge companies to support them to achieve the refreshed approach where appropriate.

**Note:** The Fair Work First criteria is included in the refreshed Business Pledge: three of the criteria are core elements of the Pledge and the other two criteria are reflected in the optional elements of the Pledge.

# 9. FUTURE WORKFORCE AND BUSINESS LEADERS

The [Enterprise and Skills Board's Strategic Plan](#) identified the need to sustain a culture of Fair Work and Fair Work practices in the long-term, making Fair Work the norm for every worker and every employer across Scotland. As well as promoting an understanding of the [Fair Work Framework](#) dimensions in today's labour market, we will need to educate our young people about Fair Work as they progress on their learning journey; what it means for them as individuals and for the wider society.

To do this, we will work with education and skills development colleagues and trade union partners to identify opportunities, including through [Developing the Young Workforce](#) and [Unions into Schools](#), to increase awareness and understanding of Fair Work including gender issues. We will also explore options for promoting Fair Work within further and higher education.

This will help ensure that the young workforce have Fair Work in their DNA and are well placed to adopt Fair Work in their roles. They will also have clear ideas about their expectations from work, the work environment, their employer and their colleagues, further encouraging Fair Work and driving continuous improvement.

# 10. CO-HOST AN INTERNATIONAL FAIR WORK SUMMIT WITH THE FAIR WORK CONVENTION

We will work with the Fair Work Convention to organise and host an international Fair Work Summit in 2019/20. The Summit 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. This will also provide opportunity to enhance collaboration with European partners in order to secure a continued focus on Fair Work after EU exit.

**Note:** Due to the COVID-19 pandemic, it was not possible to deliver an international Fair Work Summit in 2019/20.



# 11. EXTEND THE WORKPLACE EQUALITY FUND

The [Programme for Government for 2016-17](#) recognised that the labour market does not provide good outcomes for many equality groups, and committed to establishing the Workplace Equality Fund. In 2018, the £500,000 which the Scottish Government committed to the [Workplace Equality Fund](#) supported employers across a range of sectors to make innovative changes which are benefiting both employers and workers.

In 2019/20, we will expand the Workplace Equality Fund to enable us to work with more employers to address long-standing barriers in the labour market so that everyone has the opportunity to fulfil their potential. This Fund will enable businesses with innovative ideas to embed the dimensions of the Fair Work Framework in their workplaces.

# 12. TRADE UNIONS

**In 2019/20, we will continue to provide the Scottish Trades Union Congress (STUC) with funding to support a further round of the Fair Work and Trade Union Modernisation Fund to support unions embed the Fair Work Framework in workplaces in Scotland.**

We will also provide the STUC with funding to support the 2019/20 STUC's Fair Work: Leadership and Equality Programme.

# 13. COLLECTIVE BARGAINING

The Scottish Government has made a clear commitment to promote collective bargaining through the inclusion of an employee voice indicator, measured by collective bargaining coverage, within the [National Performance Framework](#), and will work in partnership with the [STUC](#) to achieve increased coverage. The initial action on this indicator will primarily focus on exploring how this could be achieved across four key sectors: social care; early years and child care; hospitality; and construction.

As an initial step, in early 2019, the Scottish Government will commission a mapping exercise of existing industry standards and UK national and collective agreements.

We will also work with the STUC to:

- Consider and respond to the Fair Work Convention's recommendations for ensuring that Fair Work is embedded in the delivery of social care services including the procurement process.
- Create a forum in Early Learning and Childcare to explore sectoral bargaining as a long-term aim with implementation of real Living Wage being the first step. Membership should include the Scottish Government, employers and trade unions.
- Help to facilitate dialogue between key employers and trade unions in the hospitality sector to explore the benefits and challenges of implementing Fair Work practices, including establishing collective agreements. The [Fair Fringe Charter](#) is a good example of collective action to improve Fair Work practices in hospitality.
- Support union access to workplaces, encourage adherence to existing agreements and support the development of new collective agreements as an integral part of Fair Work First. This will allow procurement, government support and economic development to all to play a role in promoting collective bargaining coverage wherever possible.

# 14. THE COLLABORATIVE ECONOMY

In January 2018, the [Scottish Government's Expert Advisory Panel on the Collaborative Economy](#) reported its findings, recommending a number of actions for Scotland to take advantage of the growing use of digital, collaborative platforms and to tackle some of the challenges that they pose to specific sectors. The Expert Panel made recommendations aimed at improving the quality of employment opportunities in the collaborative economy.

In June 2018, the Scottish Government published its [response](#) to the Expert Panel's Report, outlining how we will build on our current actions in areas such as peer to peer accommodation, workers' rights, crowd-funding, regulation and consumer protection to fulfil our ambitions for Scotland. In terms of worker protections, the Scottish Government will:

- 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.
- Work collaboratively with trade unions and partners to develop online guidance for workers seeking to gain clear and accurate information about their employment status, protections and rights.
- Ensure that the views of the Scottish Government and the Expert Panel are given appropriate consideration by the UK Government as it progresses changes to employment law following the publication of the [Good Work Plan](#).

**Note:** The [Fair Work Employer Support Tool](#) was launched on 29 January 2021 to enable employers to self-assess their fair work practices and access support to strengthen their approaches. The tool currently aims to support small and medium-sized enterprises and will be further developed to support employers in the collaborative economy.

# 15. THE CONSTRUCTION SECTOR

The [Fair Work Convention](#) has identified construction as a sector that 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. The Convention has indicated that it will undertake an inquiry into Fair Work in the Construction sector in 2019.

The Scottish Government will work with [Scottish Futures Trust](#) and industry partners to develop a Fair Work Charter for the Construction sector aligned with the dimensions of the Fair Work Framework. The Charter will seek to improve practices of contractors and sub-contractors and will build on progress already achieved, including Unite the Union's Construction Charter which a number of local authorities have already signed up to.

The inclusion of a dispute resolution procedure within construction contracts reflects the importance of ensuring that action can be taken at the earliest opportunity to address any collective employment relations disputes which arise during a project. For the employer, an effective dispute resolution procedure reduces the possibility of delays and disruption to the successful completion of the project. For the worker, it can help reduce work-related stress and help ensure an effective voice in the workplace. The Scottish Government will therefore promote the use of collective dispute procedures in construction contracts. Furthermore, as Fair Work First is developed, we will explore with stakeholders how dispute resolution can be applied in construction projects, including publicly funded projects as a means of demonstrating the 'appropriate channels for effective voice' criteria.



# 16.SOCIAL CARE SECTOR

During the development of the [Fair Work Framework](#), 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 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, therefore, undertook an inquiry into Fair Work in Social Care and published its report: [Fair Work in Scotland's Social Care 2019](#) on 26 February 2019.

The Scottish Government will work with partners to consider and respond to the recommendations set out in the Fair Work Convention's Social Care Inquiry Report to ensure that fair work is embedded in the delivery of social care services including the procurement process.

# 17. THE REAL LIVING WAGE

Research shows paying the [real Living Wage](#) can enhance productivity, reduce absenteeism, and improve staff morale. Scotland has the highest proportion of employees being paid at least the real Living Wage of all four UK nations - 80.6%, ahead of England 77.1%, Wales 74.0% and NI 72.3% and the UK 77.2%. There are currently over 1300 real Living Wage accredited employers in Scotland.

We have provided funding to enable adult social care workers to be paid the real Living Wage, which has already benefited up to 40,000 care workers, mostly women. Additional resources have been made available to extend this commitment to sleepover hours during 2018/19. From 2020 we will make funding available so that the real Living Wage can be paid to all workers delivering funded early learning and childcare hours.

Over the next three years, the Scottish Government will work with the Poverty Alliance and other partners to build a 'Living Wage Nation', focused on boosting the wages of 25,000 people.

To achieve this we will concentrate on celebrating the benefits that employers in traditionally low paid sectors and locations have realised by paying the real Living Wage. We will also work with a range of partners to ensure that the relationship between the living wage and gender pay equality is a focus of our efforts to promote the real living wage.

Our approach will include recognising a range of Living Wage Towns, Cities, and Regions across Scotland with the first Living Wage City set to be announced in spring 2019.

# 18.UNPAID CARERS

**One in seven Scots are unpaid carers. Many carers give up work because the job of juggling their work and caring responsibilities simply becomes too much. Supporting carers to manage this difficult balance can deliver real benefits to employers as well as helping individuals and their families.**

We have established the Carer Positive employer accreditation scheme for employers with flexible employment policies for staff who are also unpaid carers. Over 330,000 employees in Scotland are now working in 135 Carer Positive organisations. We will work to increase employer awareness of the scheme and the number of employers signed up.

We will commission an independent review of Carer Positive to inform future decisions about how the scheme is run and its long-term strategy. The review will focus on ensuring that Carer Positive is reaching a wider range of employers and positively impacting on more carers.

# 19. SCOTTISH GOVERNMENT

**We have established a Fair Work and Gender Equality Ministerial Working Group led by the Minister for Business, Fair Work and Skills. This group will drive a strategic approach to embedding and mainstreaming Fair Work across Ministerial portfolios. The remit of the Ministerial Working Group includes galvanising action to drive forward a cross-portfolio approach to Fair Work.**

A Scottish Government Fair Work Champion will be appointed to promote Fair Work across Directorates within the Scottish Government. Furthermore, each Directorate will be asked to develop Directorate-level Fair Work Action Plans, which set out the actions that are currently being taken or planned to mainstream Fair Work into policy areas and activities specific to the Directorate, and to develop a strong Directorate-specific Fair Work narrative.

The Scottish Government Fair Work Champion and Directors will be supported by a Fair Work and Gender Equality Officials Working Group.

We will also 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.

## 20. THE UK GOVERNMENT

**The UK Government has recently published its [Good Work Plan](#) which sets out the action it will take in response to the [Matthew Taylor Report on Good Work](#).**

While any improvements that offer workers more protection are welcome, this report by the UK Government does not go far enough to address the issues experienced by those in low paid precarious work, or to address Fair Work challenges faced across the labour force, and there remains deep concern that leaving the EU will open up the potential for a significant reduction in a whole range of workers' rights and other social protections.

An additional concern is the lack of prominence given to effective voice in the UK Government's proposals. In Scotland, we have a distinct approach to effective voice which includes supporting strong industrial relations. While the Good Work Plan fails to acknowledge the role of trade unions in securing workplace democracy and increasing productivity, our Fair Work Action Plan demonstrates our ongoing commitment to working with our trade union partners.

The Scottish Government will continue to engage with the UK Government as its proposals develop. We will reiterate our call for employment law to be devolved and we will set out how our alternative approach can more effectively create fairer workplaces and enhance workers' rights. This will include replacing the National Minimum Wage with the real Living Wage and immediately repealing the Trade Union Act.

We will also continue to press the UK Government to amend the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to require employers to publish a gender pay gap action plan.



# 21. SCOTTISH GOVERNMENT AS AN EMPLOYER

**As an employer, the Scottish Government has shown leadership in adopting fairer working practices. This includes:**

- becoming the first national government in the UK to be Living Wage accredited;
- promoting the payment of the real Living Wage to those working on government contracts;
- offering pay parity for agency employees from the outset of their assignment (pay parity is a requirement from week 13 of an assignment under the Agency Worker Regulations);
- full partnership working with trade unions and continued commitment to facility time and check-off for trade union representatives; adopting a policy of no inappropriate use of zero hours contracts (for example using zero hours contracts when people are working regular hours; exclusive contracts that stop flexible workers working for other people);
- offering a wide range of flexible working options;
- becoming a Carer Positive employer with flexibility and support for employees who are unpaid carers;
- not utilising unpaid internships; and
- having a duty to increase diversity and inclusion.

We are determined to build on this strong commitment and have developed a Fair Work Agreement between Scottish Ministers and the recognised civil service trade unions. This Agreement sets out a range of principles on the conduct of employee and industrial relations in line with the principles of the Fair Work Convention's Framework. The Agreement demonstrates commitment to ensuring that bodies in the Scottish Administration are Fair Work employers and are committed to continually striving to improve policies and practices in that regard. This can best be achieved in partnership with trade unions.

The Agreement is intended to be used by bodies under the direct control of Scottish Ministers to help embed Fair Work in local industrial relations with their recognised trade unions. This includes the bodies covered by the Scottish Government Main Bargaining Unit. Additionally, the remaining civil service departments and Non Ministerial Departments which are not in the bargaining unit (Crown Office, Registers of Scotland, Scottish Prison Service, Scottish Courts and Tribunal Service) have confirmed that they will also adopt the agreement. Trade unions will use the principles in the agreement to enter into discussion with the employers noted above to embed them in local industrial agreements.

Looking forward, we will work with our Non Departmental Public Bodies and Agencies through our Sponsorship teams to help embed Fair Work across their own organisations.

## 22. MONITOR AND REPORT

**Building on the National Performance Framework and working with the Fair Work Convention, the Scottish Government will develop and adopt a set of indicators to measure progress in delivering a Fair Work Nation.**

The Fair Work and Gender Ministerial Working Group will provide a challenge function to the action being taken.

The Scottish Government will also seek to provide the Scottish Parliament with annual reports on progress in embedding Fair Work via the Economy, Jobs and Fair Work Committee and the Finance Committee in respect of the Fair Work budget, with the first report being provided in March 2020.

**Note:** Due to re-prioritisation as a result of the COVID-19 pandemic, the first report, covering the period 2019-2021 will be published in February 2021.

# 23. ABOUT THIS ACTION PLAN

**In developing the Fair Work Action Plan, we have sought to progress recommendations of the Fair Work Convention's Fair Work Framework and to reflect advice provided from our key stakeholders, including the STUC and a range of employers, on how Fair Work can best be promoted and delivered.**

We will also build on the aims and the recommendations from the Enterprise and Skills Strategic Board. A key recommendation from the [Enterprise and Skills Strategic Board's Strategic Plan](#) is for the "Scottish Government to embed progressive business models, workplace innovation and Fair Work in all instruments of government and agencies, ensuring business support is conditional on a commitment to Fair Work". Many public agencies are already making progress in mainstreaming Fair Work and we will build on and learn from these examples.

There are many employers already championing the dimensions of Fair Work and there is an increasing evidence base demonstrating the benefits to workers and to business. We must build on this and communicate a business case for Fair Work to employers across Scotland.

The Scottish Government and Business in the Community Scotland held five workshops in different parts of Scotland (September – November 2018) to gain employer input to the development of the Fair Work Action Plan. Through these workshops we engaged with around 50 employers with a mix of sectoral representation and size of business.

This included sessions to:

- Share best practice examples/case studies of Fair Work.
- Understand barriers to implementing Fair Work – real or perceived.
- Gain employer insight to the support/tools employers need to help them implement Fair Work practices.

[Business in the Community Scotland](#) provided the Scottish Government with feedback and recommendations from the workshops which we have considered and reflected in the development of the Fair Work Action Plan. Business in the Community Scotland have published a [report](#) on the workshops.

Additionally, a Fair Work Employer Survey was undertaken to engage with a wider range of employers on how Fair Work is currently being applied in workplaces. Over 560 responses were received with a majority of responses from small and micro businesses.

Feedback from employers suggests that they want a mechanism through which they can engage and network with other employers. We are working with employers through the [Scottish Business Pledge](#) to develop mechanisms that help employers of all sizes, sectors and locations, align their policies and practices with the dimensions of Fair Work. Our ask of employers is therefore to work with government, with employees, with trade unions, and with each other to share best practice, to provide peer support and, ultimately, to help build a Fair Work movement which brings real value to all employers and all workers.

# 24. FAIR WORK IN PRACTICE

Please see [Employment support: Fair work](#)



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