



FAIR WORK CONVENTION MINUTES

DATE: 20 April 2023

Attendees and apologies

Attendees:

- Mary Alexander (Chair)
- Patricia Findlay
- Robert Carr
- Tracy Gilbert
- Satnam Ner
- Jim Savege
- Chris Westcott
- Anna Fowlie
- Roz Foyer
- Aileen McLeod
- Lilian Macer
- Fair Work Convention Secretariat

Apologies: none

Guests: Neil Gray, Cabinet Secretary for Wellbeing Economy, Fair Work and Energy and Russell Gunson, Chair of the Minimum Income Guarantee Expert Group.

Neil Gray, Cabinet Secretary for Wellbeing Economy, Fair Work and Energy

Mary Alexander started the meeting by welcoming Neil Gray to the meeting and invited him to give his thoughts on his fair work priorities for the Government and why it is fundamental to wider economic policy.

Mr Gray thanked Convention for the opportunity on meeting with everyone and to discuss the work of the Fair Work Convention in particular the sectorial inquiries.

He set out that Fair Work is at the heart of the government's economic ambitions, it will shape our economic transformation and just transition to net zero. The minister fully endorses the Conventions assessment that fair work offers all workers an effective voice, opportunity, security, fulfilment and respect. It addresses the inequalities and balances the rights and responsibilities of workers and employers and generates benefits for individuals, businesses and society.

Fair Work is key for attracting individuals from all backgrounds into work and will help create inclusive, sustainable and flourishing communities. Mr Gray agrees with the FWC Chairs that fair work is not a 'nice to have' but is something that is in the economic interest of individuals, businesses and wider society.



With Brexit, Covid, Russia's war in Ukraine, the on-going cost of living crisis all creating exceptionally difficult environments for employers and workers across the UK as well as a population getting older, we need to attract more people into the labour market. Evidence shows that one way that businesses can do this is by offering fair and inclusive work. This will be good for business, good for people and good for economic growth for underpinning all of our living standards in Scotland.

The momentum that Mr Gray would like to build on is on the progress that has been made to date. With over 3000 accredited Real Living Wage employers in Scotland and 91% of employees aged 18 or over earning the Real Living Wage (RLW) is the highest proportion of employees across the whole of the UK. The Government is promoting the payment of the RLW through the Fair Work First Conditionality approach to public spending, from the 1st July we are strengthening this approach by introducing a requirement for all public sector grant recipients to receive the RLW and provide appropriate channels for effective voice. All of these achievements have come through years of campaigning and work from the Convention and others and constant intervention from Government.

In addition the gender pay gap for all employees, full and part-time in Scotland is lower than the UK as a whole and has been since 1997, but clearly we cannot be complacent on that and still face significant challenges that are deep rooted in inequalities that prevent equal opportunities for all and there is still too big a gap for part-time workers.

Mr Gray expressed his view that full employment powers would support the drive towards an inclusive wellbeing economy that works for everyone. This includes better access for flexible working, fair pay and greater job security through strengthened workplace rights. The Scottish Government will do all it can within the devolved powers we currently hold to promote and imbed fair and inclusive working practices.

The Minister said that ensuring fair work is embedded within every ministerial portfolio is a key priority of his. This includes a particular focus on key sectors where working practices and workplace equality needs to be strengthened and where the Convention has had significant input such as in Construction and Social Care and he looks forward to seeing the outcome of the current Hospitality Inquiry.

Of the 26 recommendations that were made from the Construction Inquiry, there were 14 fully accepted and 7 partially accepted. Mr Gray said that he was happy to happy to pick up where there was has concerns and see if there is anything more can be done.

Mr Gray thanked the Convention on the valuable work it plays in driving forward the shared vision of becoming a Fair Work Nation by 2025, noting that we need to continue to strive for a wellbeing economy which has fair work at its heart.



There was then a question-and-answer session with Mr Gray and Convention members.

The main topics of discussion were:

- Social Care Inquiry and Construction Inquiry recommendations and the pace of progress
- Fair Work agenda within Social Care and workforce retention
- Equal pay and childcare in both the public and private sector and what levers can be used to progress the fair work agenda
- Progress in extension of collective bargaining
- The definition of a fair work employer.
- Gender Pay Gap and addressing equal pay
- Strategy for delivery and timescales on delivering on FWC recommendations

Minimum Income Guarantee

Mary then welcomed Russell Gunson, Chair of the Minimum Income Guarantee Expert Group to talk about the interim report they have produced on Minimum Income Guarantee and sought members advice on broader expert engagement.

Minimum Income Guarantee means ensuring everyone has enough money for housing, food and essentials. The Minimum Income Guarantee:

- guarantees a minimum level of income beneath which no one will fall;
- recognises individual and household circumstances – so varies by need;
- is clearly focused on tackling poverty, inequality and financial insecurity;
- sets out a suite of interventions, including to reform collective services, the world of work and social security.

A stronger safety net is needed with wellbeing at its heart. Key research from IPPR Scotland and others in 2018 highlighted that there are key weaknesses in the existing safety net. These amount to a 'redistribution of risk' to those least able to cope with it.

Progress to date:

- Expert group was appointed in August 2021 and has met 8 times.
- Expert panel established and has met 4 times.
- First round of research was commissioned.
- Overarching elements and steps towards a MIG agreed.
- An Interim report was published on 24 March 2023.

There are three main elements that support a Minimum Income:

1. Reform to the world of work
2. Reduced cost for essentials
3. A MIG payment(s)

To succeed a Minimum Income Guarantee will need to be:

- co-designed by those with lived experience of financial insecurity and the current benefit system;
- supported by a broad coalition including the general public, stakeholders and MSPs;
- co-ordinated, across government and beyond;
- implementable – through first steps taken under existing powers, with further steps and powers outlined as necessary

Interim report recommendations – laying the foundations for a MIG:

- The Scottish Government should consider how additional support for childcare costs could be provided through existing powers to low-income families with children.
- The Scottish Government should ensure the council tax reduction and water rates discount for households on the lowest incomes are reviewed.
- The Scottish Government should undertake a review of the means-tests used for existing income-assessed payments and discounts delivered at the Scotland and local level to align and automate.
- The Scottish Government should accelerate the review of adequacy of disability assistance to address the issues of additional costs facing disabled people.
- The Scottish Government should extend its commitment to using procurement to ensure contractors pay the Real Living Wage and to include a requirement on living hours.
- The next steps, phase two of the expert group includes a planning period between now and the end of summer.

There will be three work streams:

1. A MIG from the perspective of individuals, households, and employers
2. A MIG from the perspective of the system as a whole – what level and how to pay for it.
3. Public engagement and support for a MIG

There was then a question-and-answer session with Convention members. The main topics of discussion were:

- How the MIG plan on engaging with employers in the private sector and what will be the impact on business.
- The difference between MIG and the Universal Basic Income
- Facilitated meetings with the STUC
- The key message for employers around a MIG.



- How the MIG will be paid for?
- The current state of our welfare system
- How MIG interacts with local authorities, disability, housing and rents

Chris Westcott and Roz Foyer offered separately to follow up with Russell Gunson in engagement with the MIG.

It was agreed that the Convention could invite Russell back with an update on the MIG progress at a later date but the secretariat has limited resources to actively support the MIG.

Secretariat Updates

Minutes from the last FWC meeting on Thursday 23 February 2023 were agreed and will be published on the website.

The secretariat then provided updates on ongoing work including:

- The Hospitality Inquiry
- The Construction Inquiry recommendations
- Research Fair Work self-assessment tool
- Communications update Speaking
- Engagements undertaken by Support Team
- Head of Secretariat updates
- Speaking Engagements undertaken by Support Team

Chair and Members' update

The Chairs noted that they had an introductory meeting with Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Neil Gray.

Mary Alexander also presented to the TUC Union Reps Connect event on the importance of Fair Work.

Members update

Lillian Macer was recently elected as Vice President of the STUC

Roz Foyer gave an update on NSET, there is planned one to one meetings with the chair and Roz will keep the Convention updated on how they proceed

Robert Carr sits on two committees on the Edinburgh and South East Scotland City region deal. They have now published a regional prosperity framework and there will be a delivery document and fair work does feature in it. There is a real opportunity to promote fair work within these and fair work should be embedded in them



Aileen McLeod welcomed the Scotsman article in the Just Transition. Aileen has been giving evidence on the energy and just transition strategy and has noticed how little fair work has been talked about when it comes to the Just Transition.

Tracy Gilbert commented on the Industrial Leadership group meeting on retail sector and the main focus of that meeting was the cost of living crisis and the deposit return scheme. The Industry Leadership Group on Retail's fair work sub-group focused on job security and the discussions focused on the need for more research. Tracy is really grateful to have Helen's support in these meetings. The next steps is going to be a meeting with the British Retail Consortium as a pre-meeting before the next working group.

Scottish Union Learning held a fringe meeting at Congress around fair work on what union reps are delivering around fair work.

Strategy Away Day Planning

The secretariat has circulated some suggested dates for this day. Craig reported that the agreed dates for the strategy away day was the 21 – 22 August.

Next Meeting

Next meeting: **Thursday 15 June** on-line