

FAIR WORK CONVENTION

FAIR WORK IN HOSPITALITY INDUSTRY INQUIRY GROUP (HIIG)

MINUTES

DATE: 14th November

Attendees: Chair Satnam Ner, Prospect and Fair Work Convention, Co-Chair Linda Johnston, Auchrannie Resort; Academic Advisor, Professor Tom Baum, Strathclyde University; Carina Contini, Contini Edinburgh; Scottish Tourism Alliance; Anna Hirvonen, Poverty Alliance; Bryan Simpson, Unite the Union; Leon Thompson, UK Hospitality Scotland; Lawrence Durden, Skills Development Scotland;; Marc Crothall Scottish Tourism Alliance

Fair Work Convention Secretariat.

The Inquiry was joined by

Apologies

Apologies were noted from:

- Violeta migrant Hospitality worker
- Susan Martindale Mitchells and Butler
- Chris Wayne-Wills
- Mike Jones, The Stand
- Tam Wilson, Better than Zero
- Catherine Jones, Grassmarket Community Project

Welcome

The Chair (Satnam Ner) welcomed members to the meeting and welcomed guest speakers to Professor Patricia Findlay and Johanna McQuarrie from the Scottish Centre for Employment Research (SCER) at Strathclyde Business School.

A range of policy officials from the Scottish Government will observe this meeting of the inquiry.

Minutes

The minutes from the previous meeting were agreed and a light touch version will be published on the Fair Work Convention website.

Policy Levers to Improve Fair Work in Scotland; Presentation by Professor Patricia Findlay and Johanna McQuarrie

The Chair then welcomed Professor Patricia Findlay and Johanna McQuarrie from the Scottish Centre for Employment Research (SCER) at Strathclyde Business School who joined the meeting today to present their research on the levers - or mechanisms - for advancing fair work within the hospitality industry. The chair

explained that some members will already know Patricia, who is also the Co-Chair of the Fair Work Convention.

This work was commissioned in two parts, the first was to support the Fair Work Convention's work generally and the second was as an input for this Inquiry. It set out to identify existing and novel levers that could be used to advance one or more dimensions of fair work within the sector.

The research concentrated on areas where there is a role for the state, which means it mostly focuses on policy as a tool to leverage change.

The presentation is a detailed discussion of specific levers that have been found to be most promising for the hospitality sector. Tricia and Johanna were keen to hear reflections on their findings and what this might mean for potential recommendations for this Inquiry.

Patricia Findlay then made a presentation to members. Patricia explained the research objectives, which were to identify and explore the range of policy levers available in Scotland to encourage and embed a commitment to fair work and examine what levers can be best applied to advance fair work in the hospitality industry.

This includes providing details about each lever including, but not limited to ownership, impact on fair work, practical application, dependencies and reach; Support the development of recommendations by the Fair Work Convention's Hospitality Inquiry Group; and create a knowledge base that can be utilised in the Fair Work Convention's future industry-focused inquiries and other projects.

The research included exploring routes to change which include:

- Increase awareness
- Improve understanding
- Build endorsement
- Identify action
- Provide support and evaluation
- Enhance dissemination and learning

This also includes identifying what government can do. This approach is called the NATO approach meaning:

- Nodality – role of government in a networking to push policies
- Authority – what authority government have
- Treasure – Government money and resources to incentivize or disincentivize within conditionality
- Organisation – government staff, public agencies and government support for businesses

Patricia went on to explain the different components to 'Leveraging Fair Work' this included 12 steps:

1. Targeted awareness-raising campaign

2. Fair work criteria in employability provision
3. Single issue campaigns – for example the Real Living Hours campaign
4. Fair work champions – ILGs, would require SG to embed, train and support
5. Conditionality - the awarding of a contract or grant subject to meeting qualifying conditions (eg Fair Work First)
6. Strategic joint capacity investment - SG funding to help organisations work collaboratively with government
7. Development of fair work education and training
8. Fair work industry charters – the ‘Good work’ charters in England
9. Fair work accreditation - Can link to business performance benefits
10. Fair work networks / communities of practice - Networks bound by shared interest – in problem solving and learning
11. Business support and tools and;
12. Fair work evidence hub - Supporting evidence-based decision-making

Patricia then reflected on these fair work levers highlighting that there is no ‘silver bullet’ and that the single most important role is not the Government but employers.

She then went on to share the Hospitality stakeholder views from the research, there was reasonable consensus about the current challenges to the sector including:

- Rising operating costs (energy, suppliers, labour) and lower profit margins
- Infrastructure (roads/accessibility; housing) – especially in remote/rural businesses
- Staff attraction and retention (reliance on migrant recruitment; visa issues; housing)
- ‘Legacy’ issues – behaviour / approaches in the past that are said to be waning
- Specific challenges in remote/rural
- Turnover impact especially on small businesses
- Reputation of the sector (eg bar work something you do while waiting for a proper job)
- Business/business model constraints
- Difficulty in bouncing back after pandemic restrictions.

Fair Work specific challenges identified were by stakeholders were

- Relative low pay (though variation across the sub-sectors)
- Split shifts, long shifts, work-life balance
- Conflict/treatment, peak point pressure and mental health; accepts challenges at peak points Need staff, and need professional / good customer service staff
- Challenges in delivering/accessing training and learning
- Some ‘old school’ management approaches
- Recognition among some stakeholders that industry must recognise that working conditions need to change.

But, view that lots of businesses think of themselves as delivering fair work (though might not have a specific/shared idea of what that means)

- View that the majority have changed, and sector is better than in the past

- View among employers who see themselves as progressive that the sector is catching up
- Advantages of a career in the industry: fun, travel, varied customer interactions, flexibility; problem solving; diverse environment.
- FW practices spreading – due to need to keep staff
- Recognise potential for FW to focus on careers and support business development
- Those who are good don't shout about it enough

In reference to Fair Work Dimensions:

Opportunity – this was seen as positive within stakeholders as the industry is known for people who may start as a low paid worker and are able to progress to higher paid position. This may not be visible enough.

Security - some rewards not recognised – tips, meals, subsidised accommodation, leisure facilities, car use, social facilities. Some employers feel starting salary is good and benefits and improving across the sector. Business model of core and more casual workforce – how to ensure that is driven by employees as far as possible Career workers v transient workers. Rural businesses – can't have full time staff given pattern of demand – and sometimes can't open due to a lack of staff.

Voice - channels are there, but variably used; lots of negativity re union role in practice (less so in principle); request for 'constructive' voice. Communications challenges given shifts etc. Demands of younger generation – need better coms diversity of sector makes voice difficult.

Fulfilment – work can be fulfilling and rewarding work – variety, learning, examples of autonomy

Respect – change of operating hours to support wellbeing (alongside managing costs)

What does the industry need (according to stakeholders)?

- To improve its reputation – legacy issues? Role of leadership in encouraging improved practice
- To promote industry as an attractive career – wide consensus - Impact of tight labour markets - Young people not prepared to accept old ways of working
- Interesting split between those arguing survival comes before fair work, and those arguing that fair work drives the commitment that makes survival more likely - Sense that labour shortages are delivering a more employee driven marketplace – used to be employer-driven
- To improve understanding of fair work – currently not well understood in the sector
- To do more/better with technology – e.g. tech in in rota management to make scheduling more open, fair and responsive to employees (and other BoH functions)
- To improve professionalism at front of house

- To explore supply chain innovation (eg small businesses getting together with smaller suppliers to ensure supply arrangements)
- To live with business failures ...
- To shout more about what it does well – eg community benefits
- Range of views about how fair work levers are needed or might work
- needs incentives --- comes after ensuring business survival --- conditionality driving FW --- will happen anyway due to recruitment and retention challenges
- Levers have to have clear benefits for employers
- Few examples of specific incentives – offset business rates or ‘support’ in general

Awareness raising

- Some stakeholders hadn’t heard anything or much about fair work.
- Some believed others wouldn’t necessarily know definition of fair work in Scotland but would have an idea of what it might include.
- Some thought that most saw fair work through lens of pay.
- Others thought more attention to and interest in fair work now due to R&R challenges.

Accredited training

- Stakeholders could identify either their own training and development approaches, and/or industry level training and learning platforms available
- Recognition of support from public sector (eg SDS) but concerns by some over gaps in vocational skills
- Recognition of a gap in ongoing management training with an emphasis on fair work
- Felt training already provided (eg UHI, or via public agencies) could promote FW as part of training on business skills development and leadership, particularly in terms of how better to support careers
- Important to invest in leadership as well as staff
- Needs to be online, bite size due to time challenges
- Sometimes difficult to have staff long enough to put training into play
- Training does work well to bring ideas back into the business (eg of stewarding – now more about prevention than throwing people out)
- General agreement that training has to be industry-led (or co-designed)

Fair work charters/accreditation

- Some examples of charters/accreditation discussed
- UK Hospitality Hoteliers charter (since 2020) aims to address challenges in the sector – training and career development; work life balance; communication; feedback and recognition/ respect.
- Take-up in London and some parts of England – 500 hotels signed up
- Silent on fair pay, contracts and representation
- Simple pledge – no enforcement or measures of effectiveness
- Stakeholders didn’t think it would bring customers, so unlikely to embed.
- Concern that charter sits with owner or HR manager – would need to be owned more widely by staff to be effective.

- Best Bar None Scotland– focus on safety and avoiding crime, and improving management standards
- positive views (like the Michelin star of bars)
- have to show you're doing it – ongoing monitoring
- No great support for charters/accreditation at a hospitality level (and for some, no support at sub-industry level)
- But if charter/accrediting activity, needs to be driven by industry, not government
- Some orgs wanted accreditation to help them get access to colleges, schools etc to be able to develop relationships to recruit staff.

Employability

- Smaller organisations less likely to have connection with employability services
- But some voiced a desire to have a way in to accessing connections to schools/colleges/labour supply to help address staff recruitment

Real living hours accreditation

- Very different views on RLH
- Some stakeholders opposed as inconsistent with business models
- Some very cautious about how it would land with the industry
- Some in favour if it could be operationalised
- four weeks' notice for shifts seen as tricky as things change week to week – stakeholders interested in scope for adaptability within the 4 weeks
- Minimum of 16 hours might eliminate some staff – high school students; single parents; those working in hospitality for a supplementary income
- While challenging, some stakeholders said if they had to give 16 hours in order to get a member of staff, they'd make that happen
- Some thought it reflected what they also might want from a business they worked for

Conditionality

- According to some stakeholders, conditionality is the main driver of improving fair work practice in the industry, in order to access support, for example, with public agencies
- Contact with public agencies around conditionality can open up wider discussions about fair work and how to support it
- Concerns among some industry stakeholders that having to display fair work practices for conditionality is challenging for some, and there should be some recognition of working towards fair work - shows business is trying to be better
- Example of rLW – some businesses saw this as a real challenge (and reduced staff to be able to pay it); others didn't. Additional concern over ongoing commitment / being able to sustain payment of rLW.

ILG Fair Work Champion

- Some see STA as champion (Sc chapter of British Hospitality Alliance)
- Stakeholders interviewed had very different levels of knowledge of the ILG and what it does, or potential to drive FW
- Some concerns that ILG members sit as individuals, not directly accountable

- Those with closer engagement with ILG see it as very focussed on FW

Networks/communities of practice

- Quite a lot of support for CoPs, though no set ideas of how this might operate
- Stakeholders saw value in peer-to-peer networks
- Would need facilitation of workshops and training
- Would need to identify what is key network in an area – may differ across areas – not one size fits all
- Need industry/trade bodies to help support/ educate – govt/policy language switches businesses off
- Stakeholders could identify examples of when bringing businesses together was advantageous (eg business development corporations in larger towns/cities)
- Recognition of potential collective benefits of businesses in an area working together
- Some concerns over whether many businesses would engage (especially small) – time pressures and, for some, competitive concerns
- Others thought current (and recent) conditions had opened up a willingness to work together to make change happen, and to act as a community of businesses
- Positive feedback on the HIE approach – work out from key players in the industry with good fair work practice, use their insights and outcomes to spread the message, and provide tailored one to one support.

Business support/available evidence and tools

- Industry-level support and resources – exist on things like skills – potential for specialist FW evidence and support
- HIE pilot started with tourism but has broadened out. Encourages organisations to look at their fair work practice and gaps and develops an action plan to give the organisation specific action to implement. Support also for measuring impact of any action.
- Relatively easy to use booklet
- 2 hour workshop
- followed up by a couple of hours of intensive support by a specialist working with an individual organisation
- Wider dissemination through sharing case studies of organisations
- Similar approach in other enterprise agencies?

Policy asks

- Challenging to be looking at policy levers when much of what government does/wants is viewed negatively
- Though recognition of Scottish Government/public support for talent development programme
- Some stakeholders think current SG isn't supportive of business
- Some think policy shouldn't intervene in the market
- Some think no need for new policy interventions – just need
- Some identified a confused policy landscape

Specific asks:

- effective business support
- advocacy of hospitality and tourism as an attractive career
- Reframing of hospitality and tourism as a future industry – people will always want to eat, drink and experience.
- Fiscal relief or incentives – conditional on what business will do, not on what they are already doing.
- Concerns re licencing – bureaucracy, delays, fitness for purpose, consistency in treatment of different businesses at different times

Discussion

The inquiry group then moved onto a time of discussion. The chair asked members to think about the specific levers that were highlighted in the presentation and asked for reflections and what members think might be a useful recommendation for the inquiry. The Chair also asked members if there would be appetite for a fair work charter, If not, does the group have suggestions as to how the employers and the unions can align? Is the Industry Leadership Group a good vehicle to take this forward?

Bryan Simpson (Unite Scotland Hospitality) welcomed the presentation as the most important presentation to the inquiry so far as it presents the potential tangible routes to levers for change for the industry that will impact employers, workers and unions.

Bryan commented on the government endorsed communities of practice, in particular the Hospitality Leadership Group which he has been involved in, and which he felt was a positive environment to bring together understanding within groups that would normally not agree and to change people's perspective of each other and work together. It also has a lot of levers for change as examples that are already being imbedded within workplaces and within unions, such as the Hoteliers Charter and the Unite and Hospitality charter which is focused on fair work in regard to living wage and living hours and both compliment each other. This is an example where the ILG has brought together two charters that can combine to make a 'wish list' that is reasonable for the sector.

Bryan liked the idea of single use campaigns, which unions have been involved in such as the Real Living Wage (RLW) and Real Living Hours (RLH) accreditation. Bryan said that he had heard the same feedback as the presentation from small employers that they might be able to match the RLW but cannot guarantee 16 hours for their workers and cannot give any more than two weeks' notice of rota changes. What Unite have done is get employers that they have accreditation with or trade union recognition and gave them 'semi accreditation' so they are working towards living hours. What they have found is that in the space of 9 months, the employers start seeing the benefit of retaining workers and workers recognise the security of guaranteed hours and remain with the employer.

Carina Contini (Contini Edinburgh) felt the findings were a fair reflection of the challenges they face. She said that the frustration is the restrictions that the inquiry can implement and the restrictions in influencing change in VAT, energy costs and

immigration in recruitment. These are all out with the levers that the inquiry can use so how do we present a fair reflection of change when we can't have an influence on those points.

Carina said she feeds back to her team on how they can become more fair in forums, engagement and discussions and feel that they have got to a point as a business they are influencing as much as they can. The big challenge is that as a business they can't control how people interact with people or how the new recruits deal with the trained recruits or generally how their team interact with each other as people, particularly under pressure or how our customers interact with our team. There was recently a racist attack on a staff member because he was Indian from a customer so these things are completely out with their control.

The challenge that Carina's business has is that if they are to become a RLW employer, they would have to put prices up. They would have massive resistance from the existing team as they have self-regulated to be a premium business in a middle market but have adjusted over the last 6 years to adding on 10% gratuity to prices. This is such a significant part of the business model so if their prices go up, the consumer would see a higher price point at the menu list price and may lose customers. They would have to remove the automatic gratuity which is now standard across the sector.

So how do they transition to becoming a RLW accredited employer, being able to access government support and contracts without losing customers and team. The team do not want the business to change as they won't be guaranteed that 10% gratuity. If they were to change their business model the way the inquiry is pointing to, they would reduce their turnover, lose customers and potentially lose team as they wouldn't be as rewarded as they are at the moment.

Lawrence Durden (Skills Development Scotland) welcomed the presentation. Lawrence is part of the ILG and supports the fact that the ILG is really important and that there is definitely some momentum and focus on fair work from that group.

Lawrence said that he is part of a group that is looking at developing a mission around proud, valued people working for Scotland and there is a focus within that on fair work and game changing actions. They take into account the work of this inquiry and implementing the recommendations but also looking at charters, particularly increasing awareness and improving understanding. There is also a focus on accredited training which is really important and a good focus would be building fair work into existing programmes such as modern apprenticeship frameworks.

The SDS is currently redesigning the hospitality and travel frameworks and very keen to make sure fair work is within them. Similarly that fair work is within college provision and higher education (hospitality management, tourism management).

Lawrence said that it was good to see the talent development programme mentioned, the SDS has also developed a similar programme for chefs in terms of leadership training with a big emphasis on fair work and had received positive feedback from that as it opened the eyes of the people working in the sector.

Lawrence also pointed to the Highlands and Islands Enterprise (HIE) fair work toolkit and the programme which has been really successful. Lawrence said that this is a good model on how to support businesses, particularly SMEs.

Patricia Findlay responded to these comments with these points; the key to solving any of these issues is to have a joint approach and sometimes that is a really difficult place to get to. There is agreement that fair work is a good thing and the challenge is how to get there. The challenge is getting the right people (the proximate key stakeholders) round the table and agreeing what you can solve now, what you might be able to solve in the future with some work and what you might never be able to solve.

Patricia added that any way of enforcing a charter has expense attached to it, if you have a mechanism that is agreed as an industry/union group and you have a mechanism within that for concerns to be raised, it will be a less costly exercise and a better way of identifying where there are challenges.

Through conditionality, are we trying to reward those who are doing good or are we trying to move those who could do better? Conditionality as it stands now is rewarding businesses that already comply, and that often favours big organisations so there is a conversation to be had around there being a different target of conditionality. Maybe there are some other ways to support people to get to the point where they can meet the conditions.

In response to Carina Contini, Patricia agreed that it can be frustrating to be trying to deliver fair work in a context where the most important levers aren't here. Therefore there has to be a lot of creativity around the spaces, how to you use something that might be set up for one purpose to deliver another.

There is also a lot about your business environment that you can't control and is a common challenge of public facing industries that you can't stop people behaving badly. There are ways however to influence relationships between staff such as respect policies within organisations.

The RLW challenge is the consistency in stability in paying it, there might be a trade off between stability of peoples income and the optimising of their income week to week. There might be a trade off between those things and sometimes you do not know what your customers would support, and so an optional trial period could work? The issue is that if you don't comply to the RLW that you risk of bearing the cost of not having government support and therefore these conversations will have to take place in the workplace with your own staff.

Carina Contini said that they had changed their pay structure so that anybody that had been trained at a particular level would be on £12 per hour, whether a kitchen porter or a runner. So the business has taken this on board and are drip feeding in change.

Commenting on the training issues, Patricia said she agreed that imbedding fair work into further education is a job of work to be done. SQA runs management leadership modules and we need to ensure that fair work is part of that and the conversations

within Colleges and Universities. Public agencies deliver training in education and there is a need to make sure that whenever that is in hospitality, part of what is being engaged in is fair work education and training. This inquiry could recommend a really clear focus on the delivery of training and how that makes sure that fair work is embedded.

Linda Johnson (Co-chair of the Hospitality Inquiry, Auchrannie Resort) thanked Patricia for the presentation which does highlight a lot of deliverables and suggested levers for change. Linda supported the HIE initiative as something that she has found very helpful and game changing.

Areas that Scottish Government are responsible for that impact businesses are areas such as the failure of the public infrastructure such as ferries and affordable housing are not providing businesses with a fair chance to make their businesses profitable enough to pay the RLW. Yet their business is still expected to pay it but can't get the customers to us, costs are massively higher than they are in the main land. Then if it can't be paid, they are further disadvantaged with conditionality so Linda's first challenge to the government is they need to provide businesses with the infrastructure to allow them to run a business and affordability of fair work.

Is it survival before fair work or does fair work help survival? Auchrannie Resort does pay the RLW and has done since 2018 and always believed that fair work helps survival however we are moving into a period now with critical infrastructure failure that survival may have to take precedence over the RLW because they do not have the money to pay it.

Linda added that in the current economic climate where we have got high interest rates and high electricity charges, the 10% rise in the RLW will cost another half million pounds against a profit of approximately £200,000 in a year so where is that money coming from? In terms of conditionality it is good to have it but only if we are sure that businesses can afford to pay it. Conditionality should recognise that not all businesses are in the same position and they should be supported when they are in transition to deliver fair work.

In relation to Fair Living Hours, again it would be good to implement this, 16 hours would not be a problem but shift notice would be an issue when there can be circumstances like ferries being cancelled on short notice, that is the kind of issues that islands are facing. There needs to be conditionality to reflect circumstances and not cast everybody into the same net when making recommendations in levers.

Linda thinks that there should be specific support for island businesses because of these infrastructure issues and how this interacts with fair work conditionality and is there incentives we can offer in terms of conditionality such as tax breaks or tax relief that is given to businesses if they meet the conditionality for fair work and pay.

Patricia responded to Linda's comments by saying that the issues of infrastructure and housing is a point well made by the stakeholders. There is a perfect storm at the moment where by costs are going up, energy is going up and interest rates are going up and these costs are going up for your employees at the same time so it is difficult

to look at those to things separately rather than together. That is why the commitment to the RLW remains very strong.

What are the other mechanisms to be used to support businesses in rural island communities to reflect the additional costs they face for example building accommodation or the impact of public infrastructure challenges. Separate both issues and address them separately within the inquiry so that you don't diminish the commitment to the RLW but saying there are certain circumstances on which policy could support certain employers in certain places better. Some local authorities rely heavily on rate for their income (Edinburgh) and some far less heavily (Glasgow) so if there is rates relief in Glasgow it cuts into local authority services much more significantly than Edinburgh. That might be an argument for a more differentiated set of recommendations which aren't for hospitality as a whole but are far more targeted on where the problems are.

Leon Thompson (UK Hospitality) thanks Patricia for the presentation which leaves the inquiry with a great resource for business groups like UK Hospitality to discuss with their members.

Leon said we need a far more creative and nuanced approach than we are seeing from the Scottish Government at the moment and that the biggest challenge that we have around fair work is the relation that the Scottish Government has with business which includes hospitality. The government are trying hard to reset that relationship but have some way to go. We are waiting to see what comes out of the Scottish budget.

With the Fair Work Action plan, published in December last year which highlighted issues of conditionality that meant that businesses won't get support or rate relief unless they are signed up to fair work and extending that further saying that licences won't be granted to businesses, that turns businesses off. It is not a partnership being suggested it is more of a stick.

The business rates issue is crucial, it is something that the Scottish Government can do if it so chooses, we need to see relief and we need to see reform. We need to help the government create must more positive narrative around fair work.

Leon highlighted the good work being done with HIE and how members were involved with that work and it shows with fair work that we are pushing at an open door so how do we capitalise on that willingness. The Thistle Awards and the Tourism awards also show some brilliant examples of businesses who are already engaged in the fair work agenda.

The Hospitality Wellbeing Charter runs along with the Hoteliers Charter, what we need to be looking at is a point where we have guidance which everyone in the inquiry is signed up to and the SG is signed up to and create a book that helps businesses with what they need to do and how to go about it and create a toolkit for fair work. This would be a crucial resource and strong first step to promoting fair work and how businesses can get involved.

Marc Crothall (The Scottish Tourism Alliance) also thanked Patricia for the presentation and said it will be a valuable resource for the inquiry group to reference. Marc also thanked Bryan and Lawrence for the positive comments about the ILG which Marc co-chairs with the minister. He senses that since the development of the tourism strategy in 2019/20 that there is a strong commitment from the sector to adopt the fair work agenda. Marc endorses the challenges in the islands that Linda highlighted around infrastructure and the unintended consequences that businesses have no control over around ferries and accessibility and the damage that causes and the uncertainty to attract people who want to work in the sector.

Marc said there is an issue of culture and how to you establish a culture within an entire business. From the charter point of view, it needs to be signed by every single employee in the business so they all live an breath and want to achieve the same aims. That then helps the culture thrive through the organization.

The definition used in the presentation 'a good job' is dangerous that others might choose to think a particular job in a business is not a 'good job' as the person choosing to do that job thinks otherwise, as certain jobs do suit certain individuals.

Marc said that there is a tipping point in how much a business can ask a customer to spend or how much a customer can afford. There are other levies that are about to be applied to the industry because SG has elected to devolve powers to local authorities to raise more tax revenues and are targeted to our sector through tourist tax. That is another cost to the consumer and you are squeezing the amount of money you are asking the consumer to spend. You are then asking a far greater explanation on service and quality. With conditionality, you have to allow those who can accelerate forward to go for it, and also help guide others through those mirky waters.

Marc added that there is a majority of businesses they engage with are in agreement with fair work, it is how do we engage with those within the sector that are not connected to STA to UK Hospitality to Visit Scotland. There is a minority of organisations out there that are not engaged and how do we reach them too. The Living Wage has significantly increased so there is definitely intent, with gratuity it is now a legal requirement so there is no way around that.

With seasonality, there will be businesses now that will not be able to trade all year round and so cannot offer flexibility of hours and cannot commit to a contract of x amount. It is not just about the cancellation of ferries, it is about behaviour patterns of people booking holidays. We therefore have to have a degree of flexibility that responds to market trends.

There are levers that government can pull and there are fiscal measures that the can adjust such as reapportioning rates and Scottish Government need to be brave and make changes to allow this industry accelerate and grow and pay more. There are also a huge number of people who are employed by the Scottish Government framework with no redundancy policies and have an hours paid time for wellbeing time. That is fantastic, but how does that equate to a business that is trying to make money so the partnership piece is really important, action and a real demonstration of that commitment. The upcoming budget is one area where you can change the

dial as not passing on the business rates relief last year has left a bad taste within the industry. We are all very committed to want to grow the sector and deliver a strong recovery for the industry and the economy as a whole and many are still in recovery. We are a future industry and that always needs to be recognised by government and not an old school industry, and needs future foresight and investment.

Anna Hirvonen (Living Wage Scotland) thanked Patricia for the presentation and said with was very useful for what's to come with the framing of the inquiry.

As the conversation has been around living wage and living hours, Anna made these points; Anna welcomed the honesty from members around the challenges the industry is facing but it is a challenging balance because the cost of living crisis is impacting both employees and businesses. The living wage is calculated by the Resolution Foundation and is based on the cost of every day goods and services so there is not a huge amount of legal room in what the calculation is but Anna understands that there is support that needs to come to employers.

There is two main issues that come up when it comes to tips, the first is that it is not a guaranteed form of payment and cannot be relied upon when budgeting and the other issue is about public perception that the baseline of payment is the living wage which can't include tips as a baseline payment.

Anna is keen to hear from employers within hospitality and tourism on what are the challenges on implementing living hours accreditation, such as the four weeks' notice to employers. Within the 16 hours contract, employers can opt out of that and that is within the clause of the living hours accreditation. Facilitating peer to peer learning is important and learning from other employers is something the inquiry would want to imbed within the recommendations.

Tom Baum (University of Strathclyde) also thanked Patricia and Johanna for the insights they have brought to the inquiry.

Tom said that much of the issues and narrative hasn't markedly changed over the years within the industry. Creating a better perception in the public eye of hospitality as a career opportunity is something that has been said for many years. There is however an opportunity as due to the pandemic, the profile of the hospitality industry has been raised in a way that has never been the case before and some of that has been retained. The challenge is in the diversity of the industry, there are excellent employers but there are also others that get high profile coverage for the wrong reasons, MacDonald's for instance.

Part of the issue is the lack of clarity of what we mean by hospitality and the lack of official government sponsored definition of hospitality as it straddles a number of sectors and that doesn't help in terms of data gathering and the way the public see us. Influencers view negative coverage of the sector in the media and it damns everybody with the same brush.

Patricia concluded that shared capacity investments means that you identify key organisations (trade unions, employers organisations, public bodies) and those are

places where you want to get a key driver (focused on fair work) to increase the capacity, working in partnership in different places to support and work with each other.

Getting everybody to agree the standards that everybody is signed up to it is something you could use in induction and in one to ones. If there is a joint agreement, you will have a charter with key principles within it, you then have that embedded in your own organisation and you manage that collectively.

With the term 'good job' the fair work framework attempts to lay out what are the components of a good job it doesn't say that some jobs are better than others. The evidence tells us that people want to be secure and respected. That doesn't mean that they work more or less hours or at a higher level or lower level but what we can't do is assume that peoples broad satisfaction is enough as that is to do with expectations and what opportunities are open to them.

Patricia gave an example of seasonality and being innovative, sighting an example of a project on workplace innovation and a seasonal producer of vegetables (sprouts). What this rural business did was set up a labour agency with local hospitality business who had different seasonal requirements and have an area type approach so workers (within the labour agency) would spend some time working in caravan parks, some time working in hospitality businesses and some time working in processing sprouts.

The issue around partnership, Patricia said that policy is a facilitator here and sometimes that will be carrot and sometimes that will be stick. A partnership between the employer community, between the unions and the workers and between the government facilitating that is the best route forward. That might be joint capacity and investment and it might be joint training and that is a really important way to arrive at a shared understanding of fair work.

Conversation on Teams during the meeting

[11:33] Bryan Simpson,
I hear what you're saying Carina, but you can pay the real living wage and 10% gratuity at the same time.

[1148:] Marc Crothall
latest sentiment findings of 1000 Scots out today high lights the following-in respect of spending behaviour. "Economic constraints have led to a shift away from serviced accommodation towards self-catering and reduced spending on many activities, especially eating out."

[11:51] Carina Contini
Bryan thank you, we're running a feedback campaign across all our venues to test price, service, value etc. If we could we would but I don't think we can for everyone. We have for all team that have completed training in a department.

[11:56] Paul Togneri
Agree with Linda. The carrot works a lot better than the stick.

[12:12] Leon Thompson

Has the SG ever produced a BRIA on conditionality of Fair Work? Would be helpful for everyone to understand what the impact could be - positive and negative.

[12:16] Helen Martin

A BRIA was carried out for the Fair Work Action Plan

[12:27] Marc Crothall

communication and language is also critical

Date of next meeting: The chair said that you will have received an email outlining changes to the final two meetings of the Inquiry. The meeting of January 23rd has now been moved to 19th March, this date is already held in your calendar. The secretariat have proposed dates to consider for the final meeting in May. Please make sure you vote and pending that decision, a date will be sent out in early January.

For information, the remaining meetings of the inquiry will be closed to external observers.