

Fair Work Conditionality

What do I need to know?

[Fair work](#) is work that offers all workers an effective voice, opportunity, security, fulfilment, and respect. It balances the rights and responsibilities of employers and workers and generates tangible benefits for everyone. As part of the Fair Work agenda, The Scottish Government has defined 7 key criteria to help drive the success of the economy, at the same time as ensuring the financial and social needs of individual workers are met. They have called these the [Fair Work First](#) (FWF) criteria.

All resource and capital grant funding awarded by SOSE (South of Scotland Enterprise) is subject to compliance with 2 of the 7 Fair Work First criteria, as a mechanism to help drive Scotland towards being a nation which has a world-leading working life where fair working practices drive success, wellbeing and prosperity for individuals, businesses, organisations and for society as a whole.

The following 2 criteria are mandatory conditions for all clients in receipt of grant funding from SOSE, for the entirety of the funding period:

1. Payment of [real Living Wage](#) (rLW) to all workers

This includes everyone aged 16+, including apprentices and any UK-based workers who are not directly employed but are directly engaged in delivering the grant-funded activity (whether they be subcontractors or agency staff). Where a third sector or private sector organisation uses grant funding to procure services from another third or private sector organisation, the workers from that organisation who are directly involved in the delivery of the grant-funded activity, must also be paid a minimum of the real Living Wage (rLW)

2. Provision of appropriate channels for effective workers' voice.

All organisations with a workforce (paid, voluntary or both) must be able to demonstrate that all workers within that organisation (including agency workers) have access to effective voice channel(s)

- Voice exists at both collective and individual levels:
 - Individual Voice – mandatory for all
 - Collective Voice – mandatory for all organisations with 21 or more workers (including volunteers)

All organisations which are accessing grant funding are asked to embrace and commit to the development of fair working practices, by completing a timebound Fair Work Action plan. Additionally, the Scottish Government is asking all recipients of grant funding to include a short statement on their own website highlighting their commitment to advancing the Fair Work First criteria, including the real Living Wage and effective voice conditions. The statement should be agreed jointly by the employer and an appropriate workplace representative. This representative should be from the relevant trade union(s) where one or more is recognised, or where there is no union recognition, it should be another appropriate workers' representative.

All grant recipients will be encouraged to meet the 5 additional FWF criteria, but compliance with each of them is not mandatory to access grant funding from SOSE.

Acceptable Forms of Evidence for Fair Work First Criteria

| REAL LIVING WAGE | | |
|---|--|---|
| Value of Grant | Required Evidence | |
| | Directly Employed Staff | Supply Chain |
| Under £100k (Cumulative in one financial year) | Self-Declaration | Self-Declaration |
| £100k or over (Cumulative in one financial year) | <ul style="list-style-type: none"> • Anonymised payroll; or • Accountant's certificate | Anonymised copy of contract for relevant employees/contractors/agency workers |

TO NOTE: All funding recipients which have self-declared their compliance with rLW conditionality (those below the £100k threshold) will be subject to audit. 5% of recipients will be audited annually. This figure will be increased should results of an audit prove unsatisfactory.

| EFFECTIVE VOICE | | |
|---|------------|---|
| Voice Channel | Level | Evidence |
| Line Management Relationship (i.e., effective 2-way dialogue through 1:1 relationship). | Individual | Written confirmation from trade union/worker representative(s) that there is opportunity for regular 1:1 open and two-way dialogue between line managers and their direct reports; that this dialogue exists separately to standard performance review processes; and that worker-manager working relationships are effective. This could also be supported by evidence of regular engagement survey that supports this; and/or in Organisation's KPI's |
| Staff /Engagement Surveys | Individual | Written confirmation from both management and trade union/worker representative(s) that an appropriate survey is regularly undertaken and can demonstrate that feedback is provided to workforce and actions created and implemented to address this. |
| Suggestions Schemes | Individual | Written confirmation from both management and trade union/worker representatives that a scheme exists and examples provided of improvements made as a result. |
| Intranet/Online Platforms | Individual | Written confirmation from both management and trade union/worker representatives that an internal platform exists that allows worker contribution to strategic discussion and examples provided where input is acknowledged and acted upon. |
| Staff Forums / Networks | Collective | Written confirmation from both management and trade union/worker representatives that network(s) and/or a forum exists, meets regularly, supports open dialogue and is action focussed. Examples of actions progressed should be provided |
| Trade Union Recognition/ Collective Bargaining | Collective | Copy of Recognition Agreement is provided. |
| Access is provided to trade unions / Pro union Membership attitude is demonstrated | Collective | 1) Trade union(s) confirm that access is granted to recruit and organise members. And/or: 2) Workers are aware that the employer is happy for them to join a union of their choice (e.g., through induction materials, clause in contract). |
| Joint Consultative Committee/s (JCC) | Collective | Written confirmation from both management and trade union/worker representative(s) that JCC/s exist, and examples of issues covered. |

| | | |
|--------------------------------|------------|--|
| European Works Councils (EWCs) | Collective | Papers from EWC (European Works Councils) demonstrating membership and active participation. |
|--------------------------------|------------|--|

- Organisations with 21 or more workers must provide at least one piece of evidence for individual voice and one piece of evidence for collective voice.
- Organisations with 20 or fewer workers must provide at least one piece of evidence for individual voice.