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Rt. Hon. Tricia Marwick MSP
Presiding Officer
Q2.04
The Scottish Parliament
Edinburgh
EH99 1SP



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Dear Presiding Officer

I write in relation to my attendance and participation in the Conveners Group meeting on Wednesday 30 September. First, I would like to express my thanks to you for facilitating my involvement. I very much welcome the opportunity this provided to both set out the Scottish Government's Programme for the forthcoming year and to engage with the Conveners on specific issues.

A number of points were raised during the meeting by the Conveners that I committed to following up in writing and I am pleased to be able provide to this further information below.

Living Wage in the NHS: Duncan McNeil MSP, Health and Sport Committee, referenced the Committee's 2011 report on elderly care, which recommended that social care staff should be paid the Living Wage. As an addendum, Mr McNeil also asked if there was any progress towards paying NHS-funded pharmacists, dentists and GP practices the Living Wage. I committed to investigating whether there are still any groups in the NHS, including contractors, who are not paid the Living Wage.

Response:

Within NHS Scotland, all directly employed staff are covered by the Scottish Government's pay policy and receive at least the Living Wage. The Scottish Government is working closely with Scotland's health boards to explore possible Living Wage accreditation, which will involve consideration of how they could extend the Living Wage to contracted staff who regularly provide them with a service.

Whilst final decisions will be a matter for individual health boards, the Scottish Government will continue to support them throughout the process.

In the wider social care sector, attracting and retaining the right people, and raising the status and image of social care as a profession, is key to delivering a high quality of care.

The Scottish Government is working to promote the sector through opportunities such as addressing low pay in the sector.

In April 2015, the Scottish Government provided funding of £10m per year – as part of a tripartite arrangement with local authorities and providers worth £20m per year overall – to assist with improving the quality of care in care homes. Within this approach, a key focus is to tackle the issues of recruitment and retention in the sector. The Scottish Government has been working and will continue to work with COSLA, Scottish Care, Coalition of Support and Care Providers Scotland and other key stakeholders to further progress fair work practices, which include paying, or making progress towards the Living Wage in the care at home sector.

Alongside this, the Scottish Government has been working with stakeholders to produce statutory guidance which requires all public bodies to consider whether it is relevant and proportionate to include a question on fair work practices as part of the procurement process. The guidance, published on 6 October 2015, also addresses employment practice more widely, for example the inappropriate use of zero-hours contracts.

Health and social care partnerships are beginning to reconsider ways in which they deliver and commission care services. For example, NHS Highland has introduced a care at home tariff of £18.59 per hour that will be applicable to all home care providers, whether that be in-house care or external care through independent or third sector providers. As part of the tariff agreement, providers will need to meet a series of conditions; including paying the Living Wage and maintaining quality levels as well as prioritising delayed discharges and avoiding hospital readmissions.

The Scottish Government fully supports the Living Wage and recognises the real difference it can make to the lives of the people of Scotland and will continue to support organisations to join the other 367 Living Wage accredited employers in Scotland.

Business Pledge – Zero Hours Contracts: Murdo Fraser MSP, Economy, Energy and Tourism Committee, asked for a definitive definition of the term “exploitative zero-hours” contracts, within the context that this is one aspect of the Business Pledge to which companies must adhere. During the meeting I provided an overview of what the term means and the reasons why some companies still use such contracts, but offered to write in more detail.

Response:

A zero-hours contract is defined in general terms as an employment contract in which the employer does not guarantee the individual any work and the individual is not obliged to accept any work offered.

Examples of when a zero-hours contract become exploitative is when employers deny workers regular or insufficient working hours or unfairly penalise workers for being unavailable for work or not accepting offers of work.

The Scottish Government condemns the use of exploitative zero-hours contracts and always supports, where feasible, more stable forms of employment, for example direct employment or fixed term employment contracts.

The Scottish Government recognises that in certain circumstances the use of zero-hours contracts aligns to the needs of an organisation or the sector. For example, seasonal work in sectors such as tourism and agriculture where there is an need to cover unanticipated peaks in service delivery; or during holiday periods where workers may find some benefit in retaining access to an employment contract until stable work becomes available.

The Business Pledge is a shared mission between Government and business, with the goal of boosting productivity, competitiveness, fair work and employment. Since it launched on 24 May this year, 126 Pledge companies have signed up. Alongside committing to pay the Living Wage, all business who sign up to the Scottish Business Pledge must confirm that they do not employ people on exploitative zero-hours or very low hour contracts.

Preventative Spend: Margaret McCulloch, Equal Opportunities Committee, highlighted that throughout the Programme for Government the Scottish Government has placed an importance on moving away from preventable to preventative spending; and quoted the Christie Commission's estimate that 40% of public spending is accounted for by interventions. Ms McCulloch requested an update on where the SG would put that figure now.

Response:

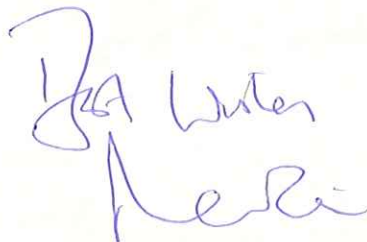
The Christie Commission reference to 40% of all spending on public services being accounted for by interventions which could have been avoided by prioritising a preventative approach was attributed to the National Community Planning Group (NCPG). The NCPG's written submission to the Commission confirmed this to be an estimate only. Unfortunately, in the absence of information on how this figure was reached, it cannot be recreated and used as a benchmark.

The NCPG's submission, along with a wide-range of other evidence received by the Commission, helped to build a compelling case for making a decisive shift towards prevention across public services in Scotland. Preventative approaches, achieved through a shared commitment to early intervention and building community capacity, is now firmly established as the priority direction for the Scottish Government.

In addition to the above mentioned questions, there were a number of important points raised throughout the meeting by Conveners, which will be followed-up directly with the respective Committees.

I trust my response sufficiently answers the points raised by the Conveners.

I have copied this letter to the Clerk of the Conveners Group for dissemination to all of the Committee Conveners.



NICOLA STURGEON