

A BETTER PLAN FOR SCOTLAND'S WORKPLACES

Introduction



Working people face a clear choice between a Labour plan that recognises Scotland succeeds when they succeed and a Tory party that would continue with the same failed plan of the last few years that has seen working people suffer the most.

After five years of the Tories prioritising policy for the powerful it is clear that working people need change and need a government that will protect them; provide for them and help them prosper.

Our party and the wider Labour movement have shared a historic mission and our visions for the future are intertwined, that's why Scottish Labour's plan offers a bold vision for a better future and a better Scotland:

- A Scotland where people earn a fair day's pay for a fair day's work.
- A Scotland that protects and provides for its workers.
- A Scotland that gives our elderly dignity & care and our young people support & opportunities.
- A Scotland that puts passengers before profit on our railways with a Peoples' ScotRail.
- A Scotland with an NHS free from privatisation by the Tories or from TTIP.

- A Scotland that has no need for food banks.
- A Scotland for the many, not the few.

In the last five years our communities have witnessed the scandalous rise of food banks, the punitive Bedroom Tax and a cost of living crisis which has hit hardest on those with lower incomes.

Working families have experienced an unprecedented squeeze on their living standards in the last five years. Across the UK, average wages have fallen by £1,600 a year since 2010.

There has been a sharp rise in precarious forms of work, with zero-hours contracts becoming the norm in some parts of the economy, which is leaving many young people cycling in and out of low paid or casual work for years after they leave education.

Our commitment is to rebuild the bedrocks of decent work: ensuring that those who do a hard day's work are rewarded for doing so, but also tackling the insecurity that has become a worrying feature of working life.

Introduction



The Tories want to rename exploitative zero-hours contracts, the SNP want to review them. Labour will ban them.

Our priority is to improve the lives of working people, this starts with our immediate priorities of setting basic minimum standards for pay and job quality for workers across the UK with a bill that reverses the worst elements of insecurity, low pay and undercutting we have seen in recent years.

These measures, to be set out in Labour's first Queen's Speech, will include a stronger minimum wage, a ban on exploitative zero-hours contracts, and action to stop agency workers from being used to undercut wages.

But we will not stop there in our drive for a fairer Scotland. Scottish Labour will deliver a progressive agenda that puts in place the reforms we need to build an economy that uses people's skills and talents to their full.

That means giving more support to the poorest university students but also a Future Fund for those young people not in education, employment or training to develop the skills and tools that will help them secure meaningful employment.

It means using the powers of procurement to ensure that providing decent wages become the standard and not an optional extra.

These changes are a core part of Scottish Labour's plan for a stronger, more productive economy creating opportunities to share a better future.

That is why we commit to making real changes in people's lives and in our communities – changes that will build a Scotland for the many not the few; because we know that Scotland will only succeed when working people succeed.

We recognise that good pay and conditions for working people are not in opposition to successful business and a growing economy, they are an essential part of it. We want to see happy, healthy workers in thriving profitable businesses.

Introduction

Across the UK Labour's Plan to improve our workplaces includes:

- Make work pay, by raising the National Minimum Wage to more than £8 by 2019 so that it is closer to average earnings and introducing a new, lower 10p starting rate of tax.
- Address rising insecurity in our labour market, by banning exploitative zero-hours contracts and scrapping the Tory government's 'shares-for-rights' scheme.
- Tackle the economic impact of low skilled migration, by making it illegal to use agency workers to undercut wages of permanent employees and banning recruitment agencies from hiring only from overseas.
- Double the amount of paid paternity leave to four weeks - a benefit for up to 400,000 families a year.
- Tackle the short-termism that undermines high skill, high wage workplaces by putting a duty on investors to prioritise long-term company success over short-term profit and requiring employee representation on remuneration committees.
- Ensure proper access to justice in the workplace by abolishing the government's employment tribunal fee system, as part of reforms to create a system that is quicker for employers and employees, and cheaper for the taxpayer.

Over the past five years the unjust Tory attack on wages and living standards have made it clear that they do not stand up for working people or their communities.

Labour's better plan is rooted in our history and inspired by a commitment to a brighter future.

In recognising the history of working class communities and the injustices they have faced at the hands of Conservative governments, Scottish Labour reaffirms its commitment to a review of the cases of convicted mineworkers in the 1984/85 strike.

Introduction

In Scotland, Labour will work with Trade Unions and business to improve health and safety at work and we will strengthen workers' rights:

- On Culpable Homicide we will deliver legislation that gives the families of victims a genuine possibility of justice through prosecutions ensuring that the law serves as a deterrent to corner cutting and risky practices from employers.
- Scottish Labour is committed to a Fatal Accident Inquiry process which responds quicker to help bring justice to families and friends of workers involved in fatal accidents and will ensure the system makes recommendations from Sheriffs binding, to prevent future injury or deaths from occurring.
- Support the creation of a Scottish Hazards Centre which will provide awareness, knowledge and understanding of occupational health, safety and environmental matters and help lower the instances of work related ill-health, injury and deaths.
- We will use the new powers coming to Scotland to guarantee gender equality on the boards of Scotland's public bodies.
- Bring together care providers, local authorities and trade unions to facilitate a sectoral improvement in wages and conditions for careworkers

- We will continue to support the vital work delivered through Scottish Union Learning.

Labour will also deliver investment and radical change to fight poverty, tackle the cost of living crisis and improve opportunities for our young people:

- Labour will abolish the Bedroom Tax. Scottish Labour will also deliver its plan to end the need for food banks in Scotland with a new £175 million anti-poverty fund.
- Scottish Labour will reverse SNP cuts to Higher Education bursaries and re-instate them back to their highest levels for the poorest students.
- Scottish Labour recognises not every young person will go to university but they should not miss out on support to build a future. That's why we will create a Future Fund to give every 18 and 19 year old £1,600 which they can invest in training, on setting up a business, buying work tools or spend on whatever they need to get on in life.
- Tackle rising household costs by capping energy bills and banning rip-off rent rises.
- Put decency back into the Welfare State by abolishing government targets for benefit sanctions.
- Tax the profits of the legal loan sharks and put the money into credit unions and other sources of low-cost credit.

1. Tackling Low Pay

It used to be the case that when the economy grew, the living standards of working people grew as well. But this has not been the case in recent years. In the last five years working people have experienced the biggest fall in wages of any Parliament since the 1870s, alongside rising insecurity and low pay.

Across the country today:

- Average wages have fallen by £1,600 a year since 2010.
- Four out of Five jobs created in Scotland since 2010 have been in low paid sectors.

The introduction of the National Minimum Wage is one of Labour's proudest achievements – it abolished extreme low wages without leading to a loss of jobs. The challenge for the next Labour government is to tackle the broader problem of large numbers of people who do a hard day's work but are still living in poverty or dependent on in-work benefits.

Raising wages is not only good for employees and the exchequer, but also good for businesses, underpinning a modern and engaged workforce. Labour will set a national goal to halve the number of people in low pay by 2025,

lifting over two million people out of low pay and reducing the money the government spends on social security to top up wages. We will raise the National Minimum Wage to more than £8 by 2019, setting a new framework for the Low Pay Commission to bring the minimum wage closer to average earnings, and strengthen enforcement by giving local authorities and other relevant agencies a role. We will extend HMRC's remit to cover holiday pay and consider whether it should cover related non-payment of statutory sick pay and statutory maternity, paternity and adoption pay.

A decent wage floor, properly enforced, will support employers to raise standards without being undercut, but action is also required to encourage employers that can afford to pay more to do so.

Scottish Labour will encourage employers to pay the Living Wage with 'Make Work Pay' contracts which will see a £1,000 rebate to companies who pay the Living Wage. We will also establish a Living Wage Unit within the Scottish government to promote the living wage in the private sector, and extend payment of the Living Wage to public sector contract workers.

1. Tackling Low Pay

We have promised that a Labour government would crackdown on zero-hours contracts, and with that, bring an end to the exploitation that hits so many people who want a stable and secure job. With increased job stability, working people can begin to lead a healthier lifestyle for themselves and their families.

But we shouldn't stop there.

In order to tackle health inequality we must address wealth inequality, and the Living Wage will play a huge part in that.

Only recently, the Scottish Public Health Observatory published a study which highlighted the Living Wage as one of the most effective ways of reducing inequalities and improving health.

Across Scotland there are key areas of employment which direct intervention by securing the Living Wage would make a tremendous impact.

Labour will also make work pay by introducing a new, lower 10p starting rate of tax, benefitting more than 24 million people across the UK on moderate and lower incomes, paid for by scrapping the unfair marriage tax allowance.

Scottish Labour will:

- Aim to halve the number of people on low pay by 2025
- Increase the National Minimum Wage to £8 by 2019 and ensure that it is properly enforced
- Extend the payment of the Living Wage
- Introduce a lower 10p starting rate of tax to help those on low and moderate incomes
- Use a Bankers Bonus tax to guarantee a job and training for every young person out of work for a year

2. Addressing insecurity and unfairness in the workplace

Too many firms are being dragged into a race to the bottom on wages and conditions that do not work for them, their workers or Britain. The Tories have made this worse by weakening the UK's enforcement regime and promoting a hire-and-fire culture – introducing fees of up to £1,200 for employment tribunal claimants, overseeing an increase in precarious and exploitative forms of work, and even setting up a scheme that encourages employees to trade in their rights for shares.

Across the Country today:

- The STUC suggest that more than 100,000 Scots are trapped on zero-hours contracts.
- There is evidence that some companies are hiring the vast majority of their workforce on zero-hours contracts, even though most of their employees work regular hours in practice.

Scotland cannot succeed when working people feel insecure. Labour will take immediate action to tackle rising insecurity and stop the race to the bottom that makes it harder for employers to invest or raise pay, cracking down on the worst abuses in our labour market and protecting employers and employees from being undercut.

We will ban the exploitative zero-hours contracts that have become the norm in some parts of our economy. Under Labour, if you work regular hours, you

will get the right to a regular contract. This will be measured over the first 12 weeks of employment. Labour will also give workers on zero-hours contracts new legal rights to stop employers from being able to force them to be available at all hours or cancelling shifts at short notice without compensation. We will assess whether employers are increasing the use of short-hours contracts following action on zero-hours contracts, taking action to prevent this.

We will reverse the Tory-led government's controversial 'shares-for-rights' scheme and ensure proper access to justice in the workplace.

The introduction of fees of up to £1,200 for employment tribunal claimants has failed. It represents a significant barrier to workplace justice, and has failed to raise any money. Labour will abolish the government's employment tribunal fee system as part of reforms to make sure that workers have proper access to justice, employers get a quicker resolution, and the costs to the taxpayer are controlled.

We will ask Acas to oversee a process led by the CBI and the TUC to agree reforms to the system. The most exploitative working practices often take place in sectors that employ a high proportion of migrant workers. In some cases migrant workers are being paid below the minimum wage and being asked to have money deducted from their salaries for travel and accommodation – making them cheaper to employ than other workers.

2. Addressing insecurity and unfairness in the workplace

Labour will stop agencies from being able to recruit exclusively from abroad and make it a criminal offence to undercut wages by exploiting migrant workers. We will work in Europe to ensure the rules on the posting of workers from abroad that prevent jobs and conditions being undermined at home are effective.

The main industry body for the recruitment industry has warned that rogue 'intermediary' organisations have increased over the past three years and are undercutting the rest of the sector. Labour will make it illegal to use agency workers to undercut wages, by closing the loopholes in the Agency Workers Regulations that mean workers who are paid between assignments are excluded from the protections of the regulations.

And we will crack down on rogue recruitment agencies exploiting their workers to undermine wages and conditions, including the option of a licensing system that ensures agencies are complying with basic standards or stopped from operating, and extend the remit of the Gangmasters Licensing Authority where there is evidence of abuse.

Labour will review the rules on TUPE and take a zero-tolerance approach regarding firms that commit fraud at the expense of the taxpayer. At the heart of Labour's approach will be strong performance management of contracts designed to secure high quality, responsive services. Some sectors and occupations have particular issues of

concern that need to be addressed, such as the problems of false self-employment and blacklisting uncovered by recent investigations.

Self-employment is a vital part of our economy, but there is evidence that in some cases it is being wrongly used to avoid tax and employment rights, notably in the construction industry. Labour will tackle bogus self-employment in construction and a set up a full inquiry that is transparent and public to examine the issue of blacklisting. Recognising historic cases, we will release all papers concerning the 'Shrewsbury 24' trials.

Labour will also work to support health and safety, reducing the toll of workplace injuries, fatalities and occupational ill-health, including for the self-employed, and reviewing specific issues such as excessive workplace temperatures.

Reducing work related illness, mental health problems and deaths has always been at the heart of the Labour movement's work.

And ensuring that the Scottish workforce is as safe and healthy as possible is central to our plan to improve the lives of people across the country.

Therefore, Scottish Labour will establish a Healthy Workplace Strategy within our health service to set priorities, goals and objectives for employers and staff - making a safe and healthy workplace an everyday right for working people.

2. Addressing insecurity and unfairness in the workplace

Scottish Labour believes that present laws on corporate killing are ineffective and not fit for purpose, indeed the 2007 Corporate Manslaughter and Corporate Homicide Act has not resulted in a single prosecution in Scotland, that is why we will deliver legislation that gives the families of victims a genuine possibility of justice through prosecutions and also ensuring that the law serves as a deterrent to corner cutting and risky practices from employers.

Additionally Scottish Labour believes the Fatal Accident Inquiry system is outdated and does not support nor engage with families at a time when they need to be heard and need justice.

We are committed to delivering an FAI process which responds quicker to help bring justice to families and friends of workers involved in fatal accidents. It is important that families to have more involvement in the process, not ignored as often the case in the current system, and we will act to rectify this. The FAI system suffers from a lack of enforcement opportunities, Scottish Labour wants a system where recommendations from Sheriffs are binding, to prevent future injury or deaths from occurring.

As well as changing legislation to improve access to justice for workplace tragedies a Scottish Labour government would support the creation of a Scottish Hazards Centre. The 'one-stop-shop' Centre will provide workers with awareness, knowledge and understanding of occupational

health, safety and environmental matters and help lower the instances of work related ill-health, injury and deaths.

We will continue to support Scottish Union Learning, allowing long term planning to be put in place for the continuation of the valued service.

Scottish Labour Will:

- Ban Exploitative zero-hours contracts, so that if you work regular hours for 12 weeks, you get a regular contract
- Ensure that affordability is not a barrier to justice by abolishing the Tory's employment tribunal fee system
- Devolve responsibility for the operation of employment tribunals
- Give families a real chance of justice following workplaces tragedies at work be it through accident or neglect
- Establish a healthy workplace strategy within the health service to make a safe and healthy workplace an everyday right for working people
- Continue to support Scottish Union Learning

3. Supporting working families and improving our communities

Stagnating wages and rising insecurity have fuelled a cost of living crisis. This is putting increasing pressure on family life, as many people struggle to balance their commitments at work with caring responsibilities. Families today are faced with a system that too often hasn't caught up with the realities of modern life, including a long-hours culture in many professions, a shortage of well-paid part time jobs, and an outdated parental leave system.

Across the country today:

- Families have seen their energy bills increased by over £300 under David Cameron.
- The number of families with children who can't afford to heat their homes is at an all-time high.
- Thousands of parents and their children are relying on food banks.

Modern workplaces need to reflect the increasing desire among both mothers and fathers to combine a career with a healthy family life. Tackling low pay and insecurity at work are vital for improving family life, but we need to go further to give families more help to spend time together.

Labour will double the amount of paid paternity leave for dads to four weeks, helping families in the first month of their child's life. We will also ensure that families can afford to take up their entitlement by increasing the level of pay so that dads receive the equivalent of a full week's work paid at the National Minimum Wage.

Under the Tories families the cost of living crisis has hit working families across the country with energy bills increasing by £300. That is why we will cap energy bills until 2017 so they can fall and not rise.

In Scotland our social care sector continues to face significant pressures which hit services users and staff alike.

Scottish Labour has brought votes to Holyrood to ensure staff receive fair pay for the valued work they do, only for the SNP to vote it down.

This cannot be allowed to continue, and with Labour we will take a constructive yet bold approach - bringing together care providers, local authorities, trade unions and staff to facilitate an improved care sector. A sector which recognises and rewards the work of staff and ensures Scotland has services fit for its ageing population.

4. Promoting partnership and productivity at work

In the longer term, economic success will be rooted in high skill, high investment strategies, built on the talents of an engaged workforce that is fairly paid and motivated to perform to the best of its ability. But, in the UK, the growth of leading firms and sectors has been hampered by systemic short-term pressures. Increases in executive pay over the last 30 years have been justified on the basis that large rewards to those at the top are necessary to drive growth, but top pay often reinforces this focus on the short term and too often has rewarded failure. High inequality and low levels of employee engagement can exacerbate problems of low motivation and organisational trust.

Across the country today:

- Nearly three-fifths of senior business leaders judge short-termism to be a major impediment to growth.
- A chief executive in the FTSE-100 now earns on average over 130 times their average employee.
- Just 27 per cent of employees say that they have a say over how their work is organised.

Labour will reduce the short-term pressure to turn a quick profit that can undermine good employment relations and promote building a culture of partnership in the workplace so that employers and employees can work together to raise productivity and support long-term company success. Short-termist pressure in the UK can undermine good workplace relations and weakens incentives to make the long-term investments in training, technology or R&D that underpin our most innovative workplaces. Labour will give investors a duty to act in the interests of ordinary savers and prioritise the long-term growth of companies they invest in. We will change takeover rules by restricting voting to investors who already hold shares when a bid is made and strengthening the public interest test to protect the UK's national interests.

4. Promoting partnership and productivity at work

Pay at the top has seen huge increases in recent decades, often regardless of company performance or the situation of the wider workforce. Labour will improve the link between pay and performance by simplifying executive pay packages and ensuring greater transparency in organisational pay. We will require companies to publish the pay packages of the ten highest paid employees outside the boardroom and the ratio of the total pay of their top earner compared to the average employees.

We will also require investment and pension fund managers to disclose how they vote on pay and other issues and introduce binding votes on remuneration packages that work, by ensuring shareholders must approve a decision in advance, not after the event.

And we will ensure that the voice of ordinary employees is taken into account when executive pay is set by putting employee representatives on remuneration committees. Elected employees would follow the same confidentiality requirements as other representatives. Unions, where they are recognised, and other employee representative structures should play a role in facilitating elections, as well as supporting the training of employee representatives.

Where unions are not recognised, a process for electing worker representatives will be established.

Short-termism and high inequality are exacerbating widespread perceived unfairness and high levels of conflict at work. The nature of workplace conflict may have changed over the last 30 years but it has not gone away. The fall in industrial action and strikes since the 1980s has been replaced by a rise in individual grievances and employment tribunal applications. More effective mechanisms for dispute resolution and cooperation in the workplace would tackle perceived unfairness and reduce the pressure on the employment tribunal system. So Labour will review the current implementation and operation of the Information and Consultation regulations to examine how information and consultation in the workplace can be made widespread and more meaningful.

4. Promoting partnership and productivity at work

Where partnerships do exist at workplace level they can create positive forums to resolve problems, improve organisational processes and work to help companies to achieve their potential. Trade unions are an essential force for a decent society and as guarantors of jobs and wages. Labour will ensure UK compliance with international obligations on labour standards. We will reverse the Department for International Development's decision to withdraw funding from the ILO and work with international partners like the ITUC. Many of our best companies recognise the value that facility time and those with specialist knowledge such as equality and learning representatives play in supporting good practice, and in government we will also recognise the positive role facility time plays in the public sector, ensuring that voluntary trade union stewards can undertake their role effectively.

Just as good employment relations support productivity in the private sector, they will also be crucial to improving performance in the public sector in an era where there is less money around.

Scottish Labour will:

- Tackle short-termism by reforming takeover rules and giving investors a duty to prioritise long-term company success
- Tackle excessive executive pay packages that are undeserved by requiring companies to publish the ratio of the total pay of their top earner compared to their average employees
- Ensure the views of ordinary staff are heard when top pay is set by putting employee representatives on remuneration committees

5. Supporting young people into work

Ensuring the next generation has the skills we need to compete in the world will be one of the key drivers of economic success in the 21st century. But the recent rise in low pay and insecurity has hit young people the hardest, shaking the historic assumption that the next generation will do better than the last.

Across the Country today:

- Young people's wages have fallen by over eight per cent since 2010, further than for any other group.
- Scotland's poorest students are now receiving less bursary support from the SNP.

Ensuring our next generation have the skills, experience and opportunity to gain meaningful employment is crucial in tackling the cycle of poverty. Scottish Labour's commitment to a fairer Scotland will be built on a progressive platform of redistributing wealth to create opportunities and outcomes for our young people.

That is why Labour will use a Bankers' Bonus Tax to guarantee a real job, paid at least minimum wage, and to guarantee training for every young person too.

This will be a Scottish Jobs Guarantee, delivered by a distinct contract in Scotland, in partnership with employers, colleges and the Scottish government designed for all young people who are at risk of falling into long-term unemployment.

Our colleges in Scotland play a vital role in training and up-skilling people to help them move on in the world of work. Unfortunately under the SNP our colleges in cash terms have been handed a £25m cut which could have a devastating effect on the outcomes for Scotland's students. Scottish Labour will make a real commitment to our college students by reversing that cut.

Scottish Labour abolished tuition fees under Donald Dewar and we will continue to support this. But we believe more must be done to help out students from poorer backgrounds that have been losing out under the SNP. Scottish Labour will reverse the cuts Nicola Sturgeon made to the poorest young students. We will boost the bursaries in Scotland by £1000 - a smart investment that can be made or broken for someone being able to stay on university.

5. Supporting young people into work

But what about those who don't go to university? Successive governments have sought to improve skills by expanding university. But ensuring that the next generation can do better than the last means we need to draw on the talents of all young people. We have always said that the opportunities enjoyed by those who get to university shouldn't come at the expense of those who don't. They shouldn't get left behind. They too deserve support from the state to fulfil their potential.

As Scottish Labour we believe the pride and worth of labour is fundamental. It is who we are. It is written in our name. We want to redress the balance to help those young people destined to enter the world of work straight from school. That is why we will ensure that every 18 and 19 year old not in work, education or training will get a £1600 Future Fund. Funding they can invest in training, on setting up a business, buying work tools or spend on what they need to get on in life.

We know that helping our young people into apprenticeships can be a great start for them, but it is imperative that we ensure that they are able to truly benefit from this. Often one of the biggest pressures facing young apprentices is simply the cost of travel to their work.

For an apprentice minimum wage a young person could spend 2 hours a day working just to afford the bus fare to and from work. In order to support those young workers at the start of their employment journey Scottish Labour will offer free bus travel to all apprentices in Scotland, a financial boost for as many as 40,000 young people.

Scottish Labour will:

- Use a Bankers' Bonus tax to guarantee a job and training for every young person out of work for a year
- Keep Scottish university tuition free
- Reverse SNP cuts made to the poorest young students and boost the bursaries in Scotland by £1000
- Create a £1600 Future Fund for every 18 and 19 year old not in work, education or training
- Free bus travel to all young apprentices – benefitting up to 40,000 young people

Scottish  Labour