

## SUPPLEMENTARY SUBMISSION FROM SCOTTISH ENTERPRISE

### ***Within the youth employment policy (relating to RSA support) does SE expect employers to commit to paying the living wage to young people employed through the policy?***

When discussing potential RSA awards with companies, Scottish Enterprise asks them consider developing an Invest in Youth policy. Declining to create an Invest in Youth policy will not result in grant being withheld. Evidence shows that companies respond positively to this request - since April 2015, **all** companies which have accepted an award (39 in total) have committed to developing such a policy. Implementation of the approach, including any derogations (exemptions) from an Invest in Youth Policy will be reported annually, with the first report expected May 2016.

The type of policies we would work with a company to develop include setting a target for youth employment as a percentage of the company's workforce, defined commitments in areas such as attraction and recruitment of young people, and development, training and employee engagement routes for young staff.

The commitment does not include a requirement for the living wage, however, staff who are working with companies to develop their policies, ensure that they are made aware of the Scottish Government's Business Pledge, including its requirement to pay the living wage.

### ***Would SE give RSA to Amazon now?***

Yes we would - assuming that conditions and qualification against the criteria remained the same now as it did at the time of the original award, the project would still be eligible for RSA support.

Each RSA project application is reviewed against a number of programme rules, including an economic impact assessment for all projects over £250k. This assessment considers the opportunity for employment creation and growth which the project can deliver. Other factors considered are project viability and the need for assistance.

In the case of Amazon, the RSA award helped attract the company to Fife, an area where there was high unemployment especially among young people. SE's investment in their Dunfermline operations supported additional capital investment by the company itself, leading to significant growth including the creation of 685 new jobs and 78 safeguarded.

The local authority was a crucial partner in supporting the successful attraction of this high employment creation project for Scotland. In addition to all the planned jobs being created and sustained there has also been a considerable amount of seasonal employment created. These seasonal jobs have not been supported by RSA as only permanent jobs are eligible.

When an RSA award specifies a certain number of jobs created or safeguarded, each one is either a **permanent full time job** or **represents two permanent part time jobs**. A full time job (for the purposes of RSA) is a minimum of 30 hours guaranteed. Two part time jobs (minimum 15 guaranteed hours each) is equivalent to a full time job.

***Can you define an “exploitative zero hours contract”?***

The second component of the Scottish Government’s Business Pledge commits a signatory not to use “exploitative zero hours contracts”. The Business Pledge website recognises that there are some circumstances where zero hours contracts can be used appropriately, for example, when they are linked to seasonal work, resilience or other functions where workloads are highly variable – or when employees on zero hours contracts have comparable employment rights to other staff.

We note from the Parliament’s Committee Conveners Group meeting on 30 September 2015 that the First Minister committed the Scottish Government to discussing with the Economy, Energy and Tourism committee a fuller definition of “exploitative zero hours contracts”. This will provide helpful insight and guidance on the definition, which will be reflected in any future discussions with account managed companies.

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