

1. About SENScot

SE Network Scotland (SENScot) is an umbrella body for Social Enterprise (SE) and Social Enterprise networks (SEs) in Scotland. As a membership-led organisation, SENScot represents, supports, and champions the work of front-line SEs, and is committed to reflecting the views, experiences, needs and aspirations of our members.

SENScot has a membership of around 1500 local SEs – which includes membership drawn from 19 place based SEs across urban and rural Scotland and 7 national thematic SEs – which bring together SEs in the fields of Health; Sport; Community Food; Employability; Culture; Tourism and a Rural SE network.

2. About SEs

SEs are businesses that trade for a social or environmental purpose, and who reinvest all profits back into the business for the benefit of the people they serve. They tackle poverty, strengthen communities, improve people's lives and protect the environment.

In Scotland's [Strategy for SE: 2016-26](#), Scottish Government (SG) describes SE as: *'a vital partner in the economy, civil society and in creating a fairer, more inclusive Scotland.....and is key to the sustainable delivery of public services and to realising the potential within Scotland's communities'*

The key role SEs play in promoting equality, tackling discrimination and prejudice is underlined; stating *'social enterprises have been shown to deliver fair work and well-paid jobs'* highlighting the ability of SE to *'unlock the full potential of people furthest from the labour market'*.

3. Fair Work, Fairer Scotland

We believe that Fair Work is a foundation of SG policy, that will underpin our recovery and renewal and be central to achieving a more just and equal wellbeing economy. We believe that becoming a Fair Work Nation will drive success, wellbeing and prosperity for individuals, organisations and society with the potential to be transformational for Scotland and its people. Importantly Fair Work will provide significant opportunities to lift people out of poverty, to address labour market inequalities and empower people to realise their full potential.

4. SEs' contribution to Fair Work

SEs welcome the opportunity to contribute to this consultation and believe it's important that the sector, and the people and communities the sector supports, have a voice and feel part of this.

SEs values align with, and many already contribute significantly to, SG's Fair Work ambitions. As businesses that embrace diversity and inclusion, they provide supportive and flexible workplaces where people – often our most economically and socially excluded - are valued and given opportunity and a voice. People are supported to reach their potential and are treated with respect. SEs often work at a grassroots level, supporting the economy from the bottom up. However, while we know that some SEs lead the field, we know that embedding Fair Work consistently across the sector will be challenging and in addition to an awareness raising piece, some SEs require additional support and resource to fully embrace Fair Work practices.

The current SG [SE Action Plan \(2021-2024\)](#) acknowledges the role of SE saying ‘evidence suggests that SEs are leading the way on fair and inclusive work practices’ and challenges the sector to go even further. We firmly believe that SE can play an enhanced role in supporting the ambitions of SG to become a Fair Work Nation by 2025 – with the right infrastructure and mechanisms of support in place, SEs can rise to meet the challenge and ‘go even further’.

5. Maximising Opportunities through Fair Work

Fair Work should mean fair work for everyone - one of the most important aspects of Scotland’s Fair Work journey is to ensure we give everyone (who wants to) the opportunity to work. Our members often support people furthest from the labour market – people who may have little or no experience of work in any capacity, let alone fair work. The overriding message from our members is that a Fair Work Nation should make Fair Work accessible and a reality for everyone.

Our members are keen to see Fair Work extend opportunities to create supportive and inclusive workplaces to reach and support our more marginalised individuals. People facing significant, often multiple barriers to work can - with the right environment and support - engage in meaningful activity (whether this be paid or unpaid), contribute to a business and to society.

Through Fair Work, we need to create an empowering, enabling and supportive culture that allows every individual – regardless of barriers, background, qualifications, location etc - equal access to opportunities to reach their potential.

Many SEs offer people with barriers to work opportunities to develop and progress – individuals may join as a volunteers and are supported to acquire skills and experience and are often given the chance to move into paid roles. A Fair Work Nation needs to create more of these Fair Work opportunities for people and SEs can be at the forefront of this.

Fair Work’s wider reach - Fair work has the potential to go further than simply work and produce wider positive outcomes for people beyond that of a job. For example, one member who provides opportunities for young people with learning disabilities said ‘we promote the talents and capabilities of our young people, so they feel empowered and able to flourish. But it’s not just about providing them with employment – it’s about helping them find purpose and fulfilment in their lives’.

SEs as exemplar organisations - As we have highlighted, SG already believes SEs are ‘leading the way’. Our members have the knowledge, skills and expertise to act as ‘*Fair Work Champions*’ and would welcome working alongside SG and partners to raise awareness and understanding of Fair Work. As providers of fair and supportive workplaces, SEs are well placed to promote the benefits of investing in Fair Work practices across sectors and believe they have a responsibility to be a role model, encouraging and supporting others to advance their Fair Work journey and practices – and that funding and/or contract arrangements support good practice.

Culture Change - SEs can also play a pivotal role in the culture change that will be needed to ensure the success of a Fair Work Nation. The best way for employers to understand something is to see it for themselves. SEs can shine a light on the important and valuable contribution people with barriers to work can make to a business – and that supporting organisations to diversify their workforce makes good business sense and brings many benefits.

Effective voice of people often marginalised - it is imperative that the voices of people who currently do not experience Fair Work are heard – ensuring that the barriers and difficulties they face are not lost or ignored. We need a real commitment to consulting, listening and adapting - particularly to people who currently remain significantly underrepresented in the labour market.

A flexible Fair Work Nation - any Fair Work Nation needs to be fluid enough to understand and allow for different people seeing both ‘fair’ and ‘work’ differently, depending on their life experience. Someone who wants to but has never worked because of complex barriers may see ‘fair work’ as the opportunity to volunteer in an environment where they feel safe, valued, supported and included. For a disabled person, fair work might mean accessibility, for a lone parent flexible working opportunities may be the critical factor in a work context.

Valuing our workforce - a compelling and topical point was made about ‘*fairness*’ having an extended role to play in how we value certain sectors and workers in society. Everyone should feel like they have a purpose and feel valued within their job and no job (and therefore no individual) should be seen as less valuable – this has been brought into sharper focus through the pandemic with the critical importance of key workers and beyond. Fair Work can be a lever for cultural/societal change about how we view work - we need to recognise, value, facilitate opportunities for and reward the breadth of the workforce.

6. Key Issues

How we define ‘work’ - what is real work and is it only paid work? Does it include volunteering and unpaid work placements? Both are incredibly valuable to individuals and organisations. We need to ensure that Fair Work isn’t defined too narrowly or unintentionally excludes people, rather it should reach out and across the workforce to cover all types of workers – paid or unpaid.

Fair Work should take a flexible approach, recognising that one size will not fit all – We must ensure that Fair Work and any requirements that flow from this are easy and accessible for smaller organisations (who make up the majority of employers in Scotland) to effect meaningful and sustainable change. Concern was expressed about the shape of a Fair Work Nation being too prescriptive, too onerous and disproportionate, as this could have unintended consequences of stymying the small scale, local SEs that embrace fairness, opportunity, flexibility and inclusivity. We need to ensure that whatever a Fair Work Nation looks like, it doesn’t structurally undermine or place unintended barriers to the establishment and development of smaller organisations. We would welcome the opportunity to work with SG to achieve this.

We need to acknowledge that it will be easier for some industry sectors to offer certain elements of Fair Work (e.g. flexible working conditions are easier to achieve in the Tech industry compared to those working with livestock or the agricultural sector) and ensure we do not penalise industries that do not lend themselves so easily to those elements.

Getting it Right - a phased approach to Fair Work including substantial and meaningful consultation is required to ensure all voices, sectors, industries and perspectives are considered. At a time when many organisations are still quite fragile and recovering from the impacts of Covid, we need to allow organisations the time to plan, prepare for and implement further Fair Work practices.

Longer term, flexible funding - there was a strong feeling from members that there are ever greater expectations and requirements on them (via grants or contracts) at a time when many are still rebuilding from the impact of Covid. Grants need to be more flexible and include an element for organisations to build on existing and embed new Fair Work practices, and beyond this, organisations need the commitment and security of longer-term funding arrangements to allow them to advance their Fair Work progress more quickly and sustainably.

Current commissioning and procurement approaches – and any accompanying conditionality are seen as a significant barrier, causing uncertainty and pressure (financial and delivery) on organisations. Contract values often do not allow organisations to introduce or sustain certain Fair Work commitments such as the Real Living Wage (RLW). Procurement exercises often lead to insecurity for many organisations which in turn is passed onto staff – the risk and burden should be more fairly shared in a Fair Work Nation. The competitive rather than collegiate approach engendered by procurement, stifles the ability of organisations to fully embrace Fair Work for instance around offering security, staff development and progression. Fair Work conditions attached to contracts and funding arrangements should be *'proportionate'* and that a more progressive and supportive policy approach to Fair Work First takes into account the competing demands that suppliers, particularly smaller SEs, face. Members emphasised consistently that Fair Work needs to work alongside and inform commissioning and procurement approaches - delivered through an effective overhaul of the current process.

The Real Living Wage (RLW) - the RLW has generally been embraced by the sector (SE Census – 75% of SEs pay the RLW), however there are still many SEs who can not afford to adopt it, not solely for the financial implications of introducing the RLW but the impact it will have on their overall salary structure. It must be acknowledged that smaller organisations with an uncertain year to year funding base must not be penalised for embedding Fair Work in a phased manner.

Additionally, if the RLW is mandated universally and particularly without sufficient notice, through changes in funding and commissioning arrangements, this could negatively impact organisations and their people, resulting in fewer jobs or reduced hours. It was also suggested that the RLW accreditation process needs to be more structurally flexible to align with other programmes and initiatives (e.g. Kickstart only paying the Minimum Wage – though members recognise this is a DWP programme).

The 'hidden' cost of creating fair work for all - a further barrier for some SEs is around the financial impact due to their commitment to creating fair work for all. The SG/sector coproduced SE strategy acknowledges that the contribution of SE remains fragile as *'by nurturing some of Scotland's most vulnerable individuals, they incur higher employee support costs, lower productivity and reduced profitability and that this situation is not always recognised or adequately compensated.'* Likewise, in the strategy, SG acknowledges they have *'not fully recognised the role of social enterprise in supporting social inclusion health and well-being outcomes for the individuals they support.'*

Lack of capacity - as highlighted earlier in this response, it will be key to bring all employers along on the Fair Work Nation journey and SEs have the willingness and knowledge to work with a wide range of employers to increase their understanding and ability to implement Fair Work practices. Central to this is creating fair work opportunities for people furthest from the standard labour market. However, SEs report that the main barrier to fulfilling this role to the best of their ability is due to their lack of capacity.

Additionally, there is a need to put more responsibility on mainstream employers to become inclusive employers engaging with and employing people who are often excluded from the job market due to disadvantage or disability.

7. Support Required

We believe that although Fair Work is widely supported and to varying degrees embedded across the SE sector, there exists gaps in their understanding and also in their ability and capacity to implement.

Through our recent Fair Work Nation consultation events with SEN members, it is clear that more work needs to be done with the SE sector to increase their awareness and understanding of Fair Work (including the Convention and dimensions) and Fair Work First. Crucial to this work is what Fair Work means to SEs in practice - whilst the SE sector is 'leading the way' there are organisations that need more information support and resource.

Fair Work is multifaceted, and so achieving Fair Work across industry sectors is complex - no single intervention is going to completely 'unlock' Fair Work.

- Members, particularly smaller organisations, would welcome access to support and expertise related to implementing Fair Work practices that are out of reach of their capacity and experience. For example, many SMEs will not have in-house employment law knowledge and expertise nor be able to afford specialist support. Access to employment law information and advice is seen as critical to support the implementation of certain Fair Work practices and to ensure organisational policies are updated and processes followed to reflect this.
- Members who support vulnerable individuals into employment often have to deal with complex HR issues and require a high level of expertise, almost a 'mediation' or 'therapeutic' approach to support people to gain and sustain employment – additional support is required for organisations, so they are better equipped to address these all too common issues
- A Fair Work Nation needs to take into consideration the additional difficulties facing our remote, rural and island communities – we believe SEs operating in these areas can amplify their contributions – they create fair and sustainable jobs, often addressing market failure and lack of job opportunities that would normally be provided by the private sector.
- To guard against an increasing number of enduring mental health issues being a legacy of Covid, and as part of the Fair Work ambition, we need more emphasis on supporting mental health and wellbeing within the workplace.
- Invest further in supporting founders of SEs to ensure they also benefit from being part of a Fair Work Nation. Social entrepreneurs often work far beyond a 'standard' job to ensure their staff benefit from the Fair Work dimensions; whilst also ensuring their SE continues to support people furthest from the labour market whose challenges do not fit into the traditional working day.

8. What else can SG do?

In addition to the issues and corresponding support required above, there were other suggestions about what SG could do:

- Increase the use of reserved contracts for supported businesses (to create more opportunities and fairness for disabled and disadvantaged people)
- Support SEs to build their relationships with wider employers – to support these employers to offer 12-week placements to people with barriers to work, to show how valuable an 'easy to ignore' worker can be and how simple reasonable adjustments can be to make

- Invest in a widespread, high profile marketing initiative – profile people who experience different barriers to work and who have sustained employment
- Introduce financial incentives for organisations that offer fair work opportunities to people furthest from the labour market – a cost effective subsidy offsetting the cost of paying benefits
- Provide clear, succinct practical guidance on what Fair Work is and how it can be implemented, affordably and easily. Fair work should be seen as common and crucial as a net zero approach
- Investigate the role for a Fair Work Quality standard

Linked to that last suggestion but also important in its own right, is the need for monitoring, and evaluation for minimum Fair Work standards within employers. How we ensure accountability (and any subsequent consequences) will be key to ensuring we truly become a Fair Work Nation for everyone.

9. Conclusion

Members warmly welcome the ambition and drive towards a Fair Work Nation and believe that a fundamental outcome of this ambition should be to lift people up out of poverty – ensuring workers (in its widest definition) have opportunity and feel valued and fulfilled through fair and sustained employment. We have an opportunity to make Fair Work First work for the many, and in particular the many that are often economically and socially excluded.

Becoming a genuine Fair Work Nation requires a long term approach and a fully resourced commitment from SG. As part of this commitment and to help us achieve our collective ambition, it will be vital to connect and align all wider SG policy areas to ensure Fair Work can have the broadest resonance and impact possible.

SENScot’s ambition mirrors the sectors’ itself - that SEs become recognised as the ‘gold standard’ for Fair Work to which other organisations and sectors aspire. We believe that SEs – reaching across the boundaries of both commercial and social impact – are well positioned to help deliver a fairer and sustainable economic and social recovery for Scotland, grounded on Fair Work.

Members would welcome a role for SEs at a strategic level – to influence and support the shape and establishment of a Fair Work Nation, given their important contribution in this space.

SENScot and our members would be happy to provide any further commentary or evidence if helpful. Thank you for the opportunity to respond to the consultation on a Fair Work Nation.

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