

# **Fair Work Action Plan: the Scottish Government's Evidence Plan on Fair Work**

**January 2024**

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# 1. Introduction

## Background

- 1.1 The Fair Work Action Plan<sup>1</sup> set out a range of actions to promote fair and inclusive workplaces across Scotland, incorporating actions on the gender pay gap, the disability employment gap, and the anti-racist employment strategy. These are intended to support delivery of the Scottish Government's shared ambition for Scotland to become a leading Fair Work nation by 2025.
- 1.2 A consistent theme throughout the Fair Work Action Plan is the importance of continual development of the evidence base to enable barriers to Fair Work to be identified and addressed through future policy development. The Action Plan also explicitly recognised the importance of monitoring and reporting progress on our actions.
- 1.3 To support these ambitions, the Action Plan set out a commitment to develop this Evidence Plan. This plan focuses on further work the Scottish Government would undertake to:
  - Monitor the Fair Work context and progress we are making over time to ensure our actions respond to change;
  - Draw lessons from other comparable economies on what is achievable and what has worked in different contexts;
  - Address data and wider evidence gaps in relation to a wide range of issues across the different dimensions of Fair Work; and
  - Monitor and measure the impact of our current actions, including drawing lessons from actions we will deliver as part of this plan.
- 1.4 This document sets out the approach the Scottish Government intends to take, engaging with partners, to:
  - Monitor the progress Scotland is making towards becoming a leading Fair Work nation;
  - Monitor and evaluate the delivery of actions set out within the Fair Work Action Plan and progress towards achieving intended outcomes; and
  - Develop and enhance the available data and evidence around Fair Work in Scotland to inform and support future policy development in this area.
- 1.5 The Evidence Plan is intended to support the implementation of the Action Plan and future development of Fair Work policy, in keeping with the ROAMEF policy cycle approach.<sup>2</sup> Activity to monitor and evaluate the initiatives set out in the Action Plan

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<sup>1</sup> Link to the [Fair Work Action Plan: becoming a leading Fair Work nation by 2025](#) report on the Scottish Government website

<sup>2</sup> This approach is summarised in Section 3 of HM Treasury's Green Book: [The Green Book \(2022\) - GOV.UK \(www.gov.uk\)](#)

will provide information on progress around implementation. Evaluation activity and wider evidence gathering will also inform future policy development around Fair Work, by building a greater understanding of how specific policies operate in practice, and by informing the 'case for change' for future policy activities.

## Scope of the Evidence Plan

- 1.6 This Evidence Plan outlines the evidence needs to support the Fair Work Action Plan over its duration from 2024 to 2025. While it is recognised that the current Action Plan is built on previous Scottish Government plans,<sup>3</sup> this Evidence Plan focuses on the current Fair Work Action Plan only and does not examine actions or evidence needs from previous plans.
- 1.7 The Fair Work Action Plan set out the range of priorities that were being taken forward across Scottish Government that contributed to delivery of the Scottish Government's Fair Work agenda.<sup>4</sup> Evidence that is collected through delivery of this Evidence Plan will contribute to the evidence base for the National Strategy for Economic Transformation's Programme 5, 'A Fairer and More Equal Society'.<sup>5</sup> This Evidence Plan may help inform the development of the evidence base for the wider Scottish Government priorities. However, the articulation of these approaches lies outwith the scope of this Evidence Plan.
- 1.8 The outcomes for the Fair Work Evidence Plan are shaped by the National Performance Framework (NPF), and the 'Fair Work and Business' National Outcome.<sup>6</sup> The Scottish Government is currently undertaking a refresh of the NPF. Should the refresh lead to substantial changes in the national outcomes and national indicators relating to Fair Work, analysts will refresh the monitoring and evaluation framework set out in the Evidence Plan.

## Engagement undertaken to develop this Evidence Plan

- 1.9 Scottish Government analysts have engaged with external stakeholders on the broad scope and content of this Evidence Plan during its development. A summary of the engagement activities undertaken is set out in [Annex 1](#).
- 1.10 The Fair Work Convention, an independent body advising Scottish Ministers on Fair Work, is a key stakeholder in the Fair Work Action Plan and this Evidence Plan. Its co-chairs and members have provided feedback on the Evidence Plan's scope and direction, and its recent report on measuring Scotland's progress as a leading Fair

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<sup>3</sup> Link to the [Fair Work Action Plan: Annexes](#) on the Scottish Government website

<sup>4</sup> Link to the [Fair Work Action Plan: Annexes](#) on the Scottish Government website

<sup>5</sup> Link to [Scotland's National Strategy for Economic Transformation: Summary](#) on the Scottish Government website

<sup>6</sup> Link to the [Fair Work and Business NPF Outcome](#) on the Scottish Government website

Work nation<sup>7</sup> has influenced the Evidence Plan. Scottish Government analysts will work closely with the Convention over the coming months to consider how the report's recommendations are reflected in the Evidence Plan's implementation.

- 1.11 The Fair Work Convention regularly commissions and undertakes independent analysis on a range of issues to support its deliberations and advisory role. The Convention's evidence programme lies outwith the scope of this Evidence Plan.

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<sup>7</sup> Link to the Report [Measuring Scotland's Performance as a Leading Fair Work Nation](#) on the Fair Work Convention website

## **2. Monitoring progress and impacts**

2.1 This chapter sets out the approach the Scottish Government intends to take in monitoring Scotland's progress towards being a leading Fair Work nation and monitoring and evaluating the impacts of the actions within the Fair Work Action Plan.

### **Understanding the impact of Fair Work**

2.2 The Fair Work Action Plan set out the detailed actions that will be undertaken to support delivery of the Scottish Government's Fair Work objectives. These are articulated in the Fair Work Action Plan under five headline actions, covering:

- Public sector and the role of leadership;
- Our ask of employers and support available;
- Support for people to prepare for, access, and sustain Fair Work;
- Making Fair Work the norm; and
- Evidence, monitoring and reporting.

2.3 Monitoring progress against these actions will be an important factor in understanding the impact of the Action Plan on Fair Work in Scotland. However, it is important to recognise that Fair Work is multi-dimensional, and that Scotland's progress towards being a leading Fair Work nation will be influenced by factors in addition to the delivery of the Fair Work Action Plan (such as the broader macroeconomic environment). The actions set out in the Action Plan will have different contributions towards Fair Work in terms of their scope and attribution. The approach to monitoring and evaluation recognises this and more detail is provided in the following chapters.

2.4 The Fair Work Action Plan recognises that women, disabled people and racialised minorities are less likely to access Fair Work. Their experiences, along with those with intersecting characteristics, are central to understanding the impact of Fair Work. This is therefore intended to be a key component of the monitoring approach set out in the Evidence Plan. It will also be an important feature of the evaluations taken forward and has informed the focus of intended future work set out in Section 3.

### **Analytical framework**

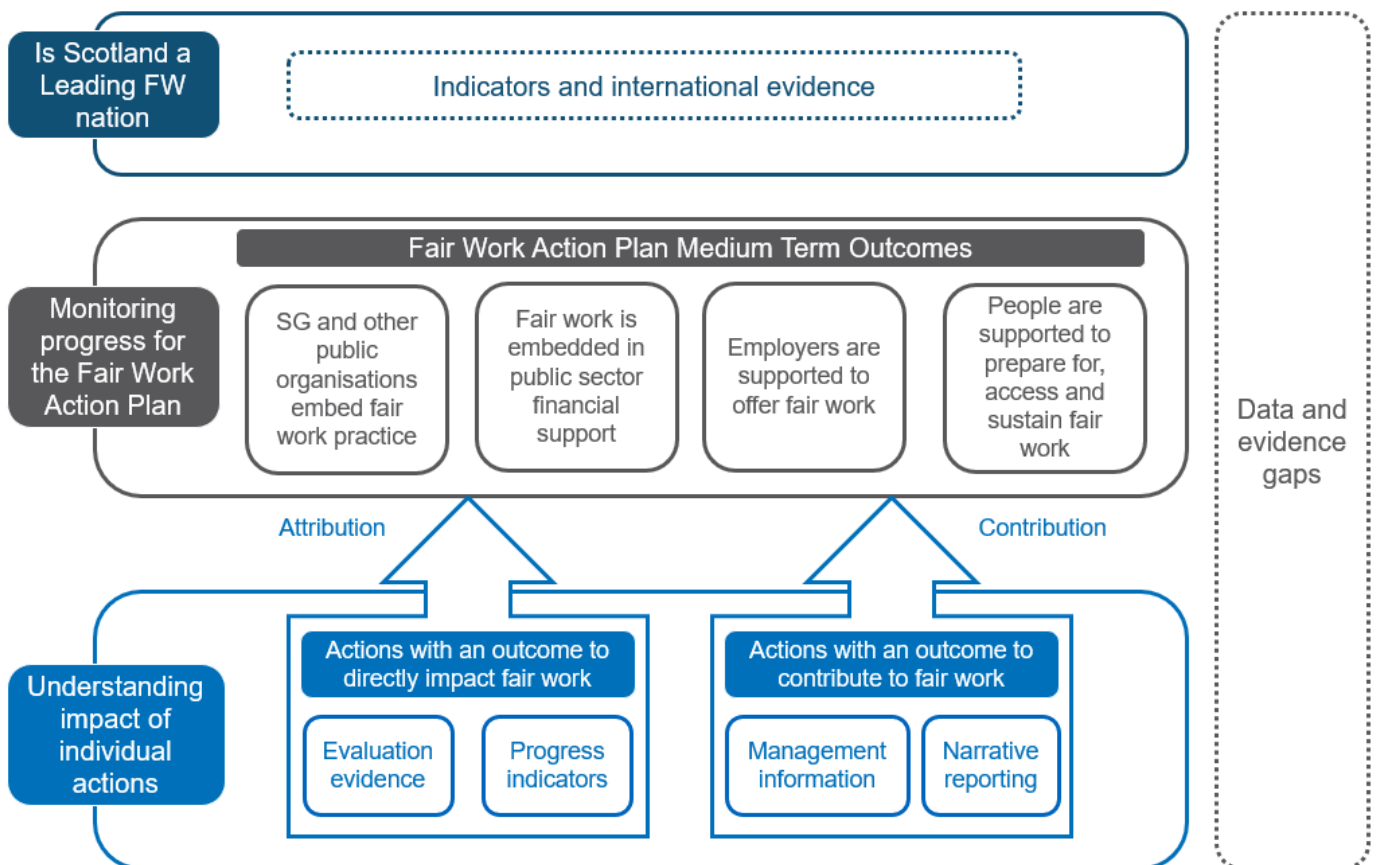
2.5 The Fair Work Action Plan included an initial measurement framework. Figure 1 is a diagram that shows the broader analytical framework underpinning the Evidence Plan. This was developed from the initial framework set out in the Action Plan. The analytical framework sets out:

- High level indicators of Scotland's progress around Fair Work;
- Progress indicators around the high-level Fair Work actions and the medium-term outcomes consistent with the Fair Work Action Plan; and

- The approach being adopted to monitoring and evaluation within the Fair Work Action Plan.

2.6 The Action Plan also recognised the importance of continuing to develop the broader evidence base around Fair Work. Considering this, we will also look to develop the available data and evidence to support this framework.

**Figure 1: Overview of monitoring and evaluation approach**



### Monitoring the Fair Work context, and Scotland’s progress towards being a leading Fair Work nation

2.7 The Scottish Government’s view of what constitutes Fair Work is informed by the framework developed by the Fair Work Convention.<sup>8</sup> This sets out a conception of Fair Work based on five dimensions: effective voice; opportunities; security; fulfilment; and respect.

2.8 Assessing Scotland’s progress towards being a leading Fair Work nation involves considering data on how Scotland’s performance has changed over time and comparing this performance to that of other countries, where such data is available.

<sup>8</sup> Link to the [Fair Work Framework](#) on the Fair Work Convention website

## Monitoring Fair Work in Scotland over time

- 2.9 There are currently several frameworks in place that monitor Fair Work performance within Scotland. The Fair Work Convention has developed a monitoring framework that contains 44 indicators covering the five dimensions of Fair Work.<sup>9</sup> In most cases, these indicators offer insights into Scotland's performance since 2016.
- 2.10 The Scottish Government also has several frameworks that support monitoring Fair Work outcomes within Scotland. There are currently nine national indicators within Scotland's National Performance Framework<sup>10</sup> that correspond to aspects of Fair Work. The Scottish Government's Wellbeing Economy Monitor<sup>11</sup> also contains Fair Work indicators. These are summarised in [Annex 2](#).
- 2.11 As there are different dimensions to Fair Work, no single indicator will be sufficient to encapsulate progress in Fair Work. Combining indicators into composite indicators can, in principle, provide a route to generating a single Fair Work indicator. In this case the range of dimensions, and the different aspects within these, may serve to obscure key elements of Scotland's performance and reduce transparency. Consequently, monitoring Scotland's progress in Fair Work will require monitoring change across several indicators. This is also important for understanding progress across indicators for different groups within Scotland's labour market.
- 2.12 The Scottish Government will work with the Fair Work Convention to support future updates to its Scottish measurement framework in the period to 2026. This is particularly important if new data relevant to the dimensions of Fair Work are developed. The Scottish Government will also work collaboratively with the Fair Work Convention to develop a common narrative around Scotland's progress on the different dimensions of Fair Work. Given timeframes for producing data and official statistics, it is anticipated that this will require joint working through to 2026 or 2027.

## Monitoring how Scotland compares to other countries

- 2.13 The encouragement of Fair Work, Good Work, or Decent Work is a feature of several countries' and international organisations' approaches to labour market development. However, there are different definitions across approaches,<sup>12</sup> which creates challenges for common international measurement frameworks.

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<sup>9</sup> Link to [Measuring Scotland's Performance as a Leading Fair Work Nation report](#) on the Fair Work Convention website

<sup>10</sup> Link to [National Indicator Performance](#) on the Scottish Government website

<sup>11</sup> Link to [Wellbeing Economy Monitor - National Strategy for Economic Transformation: annual progress report June 2023](#) on the Scottish Government website

<sup>12</sup> The Fair Work Convention defines Fair Work as "work that offers all individuals an effective voice, opportunity, security, fulfilment and respect", the Organisation for Economic Co-operation and Development (OECD) defines Good Work as "work that is productive, decent, and meaningful", and the International Labour Organization (ILO) defines Decent Work as "productive work for women and men in conditions of freedom, equity, security and human dignity". These different definitions and frameworks used by each organisation reflect the different perspectives of the organisations that have developed them. The Fair Work Convention's definition is focused on



2.14 There are also different approaches to making international comparisons and benchmarking performance against other countries. Comparisons against a broader range of countries may offer a helpful perspective on Scotland's performance in some areas, but may lead to partial or even no comparison, given differences in data availability, and economic and social characteristics of each country. Conversely, benchmarking against a smaller set of countries may offer richer insights into how Scotland compares internationally but may still only offer a partial perspective on Scotland's overall international position.

2.15 The Fair Work Convention have recently developed an international framework to allow for comparisons between Scotland and a set of countries identified as being potentially comparable to Scotland<sup>13</sup> across a subset of Fair Work indicators<sup>14</sup> for which comparable cross-country data was available. The Scottish Government will support the Fair Work Convention to develop this framework further, and will work collaboratively to agree an approach to reflect Scotland's progress compared to the countries in the framework.

## **Monitoring progress for the Fair Work Action Plan**

2.16 The actions set out in the Fair Work Action Plan<sup>15</sup> are intended to deliver the five headline actions set out in paragraph 2.2. Figure 2 sets out the theory of change, showing how successful delivery of the headline actions will contribute towards delivery of the following medium-term outcomes:

- Scottish Government and other public sector organisations demonstrate leadership in Fair Work through embedded Fair Work practice;
- Fair Work is embedded in all forms of public sector financial support;
- Employers are supported to offer Fair Work; and
- People are supported to prepare for, access, and sustain Fair Work.

2.17 The actions, outputs and outcomes set out in the theory of change correspond to and follow on from the actions and outcomes set out in the Fair Work Action Plan. Some actions are general and apply across labour market groups; others are targeted towards specific groups. As such, the actions in the theory of change include those that apply across different groups within Scotland's labour market, and also those that specifically relate to gender, disabled people, and people from racialised minority backgrounds. The outcomes in the theory of change also align with the equality dimensions that underpin the Action Plan.

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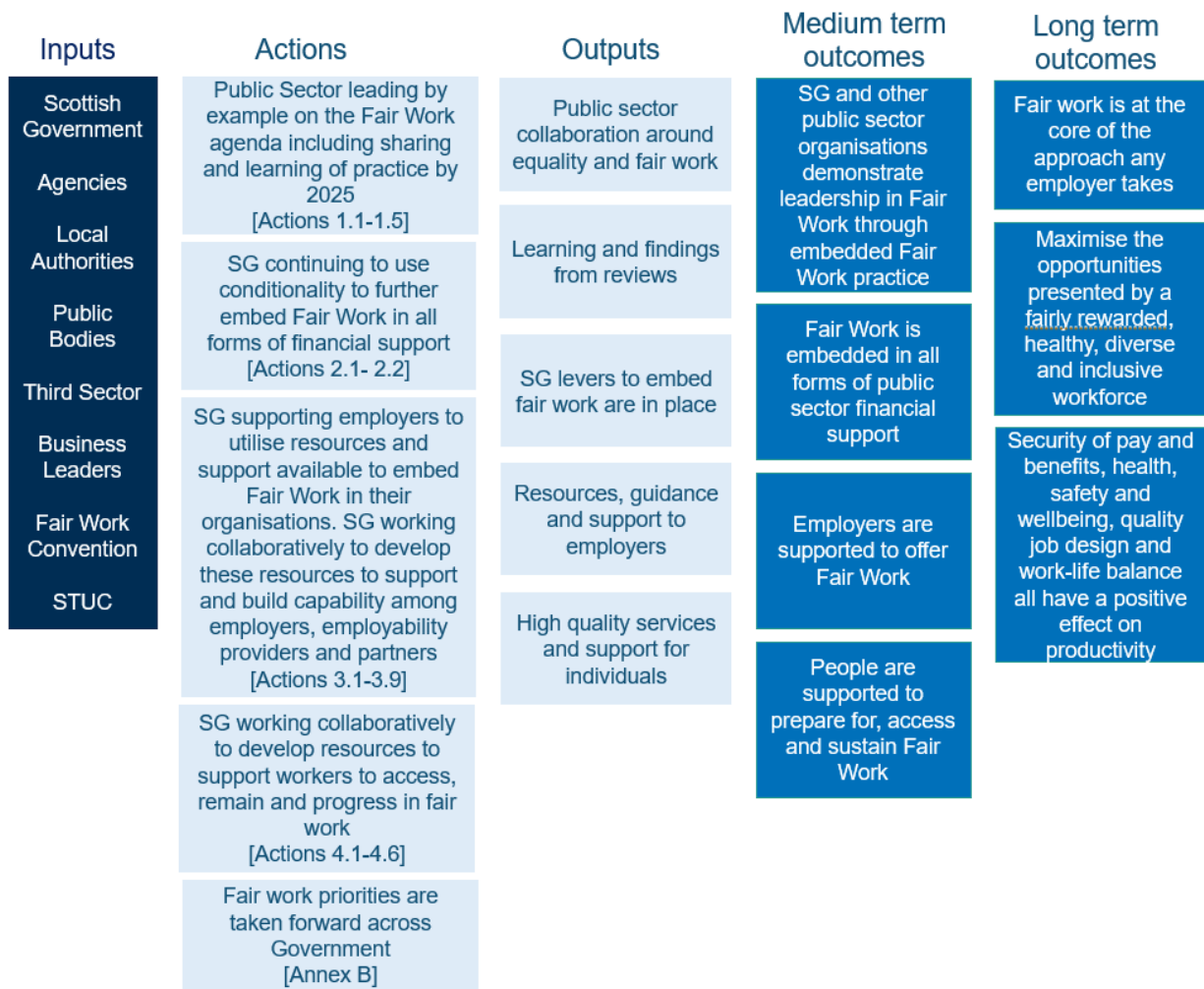
the individual worker, while the OECD's definition is focused on the economy. The ILO's definition is the broadest, encompassing both individual and societal concerns.

<sup>13</sup> Countries contained within the international framework are: Austria, Belgium, Denmark, Finland, the Netherlands, Iceland, Ireland, and England.

<sup>14</sup> The international framework's indicators include: employment rate; unemployment rate; in-work poverty rate; gender pay gap; disability employment gap; average weekly earnings; job satisfaction; work-life balance; Fair Work practices in the public sector.

<sup>15</sup> Link to the [Fair Work Action Plan: Annexes](#) on the Scottish Government website

**Figure 2: ‘Theory of Change’ for the Fair Work Action Plan**



## Monitoring progress towards outcomes

2.18 Progress on delivering the medium-term outcomes will be monitored through a suite of indicators. There are two types of indicators: those selected to show the direct impact of actions within the Action Plan where attribution is possible; and those which indicate progress towards Fair Work aspirations but which cannot be directly attributed to a single or group of actions.

2.19 Where an action in the Fair Work Action Plan has a direct impact on a Fair Work outcome, the progress indicator for that particular action becomes an indicator to monitor progress towards medium-term outcomes.<sup>16</sup> Other indicators which capture progress towards Fair Work aspirations are included. These are where we cannot directly attribute impact from a particular action or group of actions, but would anticipate a positive contribution to Fair Work as those actions are delivered.

<sup>16</sup> For example, the Fair Work action relating to conditionality is captured through an indicator monitoring the number of regulated contracts awarded that include a Fair Work First criterion. This indicator is included under the outcome of ‘Embed fair work in public sector financial support’.

- 2.20 Figure 3 sets out the indicators identified for monitoring progress towards medium-term outcomes. It is recognised that there are some limitations to this approach; indicators may not fully capture all dimensions of the outcomes. In such cases, they offer a guide to areas where the evidence base could be developed further. Areas where the Scottish Government will look to further develop the evidence base are articulated in Chapter 3.
- 2.21 It is also recognised that individual indicators for specific outcomes should not be viewed in isolation, but in conjunction with others for that indicator. Focusing on single indicators in isolation may obscure greater nuance and could be open to misinterpretation. For instance, it is recognised that interpretation of pay gap indicators should be combined with consideration of indicators of employment gaps, and a wider contextual awareness of concentration of employment across sectors and occupations.
- 2.22 During preparation of this Evidence Plan, individual indicators that could illustrate progress, and where rapid development may be feasible, have been identified. Consequently, several potential indicators are currently being explored. Where this is the case, we will confirm the approach in the Fair Work Annual Report. The only exception to this is where the data is expected to be sourced from the Transformed Labour Force Survey,<sup>17</sup> where timings may be uncertain.
- 2.23 A summary of current and envisaged indicators for monitoring progress towards outcomes is set out in Figure 3, and a more detailed list of current and envisaged indicators and their sources are provided in [Annex 3](#). Envisaged indicators, for which investigations as to robust data sources and definitions are currently being explored, include: FE/HE workforce by equality group, public sector workforce by equality group and intersectional gender employment gaps (all based on Annual Population Survey data); low pay in Fair Work agreement sectors other than social care and trade union membership (based on Annual Survey of Hours and Earnings); number of grants awarded that include a Fair Work First criteria; public sector employers publishing pay gap and action plans for equality groups (published as part of PSED reporting); equality groups supported through employability support; and employability progression by equality group.

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<sup>17</sup> Link to [Labour market transformation – update on progress and plans](#) on the Office for National Statistics website

**Figure 3: Current and envisaged indicators for medium-term outcomes<sup>18</sup>**



## Understanding impact of the individual actions

2.24 The Action Plan explicitly recognises the importance of understanding the impacts of the policies being taken forward to support Fair Work. However, the activities set out in the Action Plan are of differing scales and duration. This necessitates a flexible approach towards understanding their impacts as they are delivered.

2.25 For actions that contribute towards Fair Work aspirations more generally, narrative reporting will provide a description of achievements and perceived impact. Where it is anticipated that actions are likely to impact directly on achievement of Fair Work outcomes, impacts will be evidenced through progress indicators which capture change around real-world improvements. This approach is set out in [Annex 4](#).

<sup>18</sup> Fair Work Agreement sectors are those where low pay and precarious work can be most prevalent, and where the Scottish Government has ambitions to see the establishment of Fair Work Agreements. At time of writing, these include social care, leisure and hospitality; retail; construction; and early learning and childcare.

- 2.26 More detailed understanding of the impact of specific actions would be generated by evaluation activities. It is recognised that the range of actions in the Action Plan, and their differing nature, preclude specific evaluation for each activity individually. The focus of evaluation activity will depend on the scale of the action, its length of time in operation, and the anticipated timeframes to realise outcomes. The focus of evaluation activity will also be influenced by the learning being sought: for instance, understanding how the action has been delivered and the experiences of participants and delivery agents requires process evaluation, while understanding what outcomes have been achieved would require impact evaluations.
- 2.27 Progress indicators, MI data and narrative reporting will be provided through the Action Plan's Annual Progress Reports, with the first of these scheduled for the first half of 2024.
- 2.28 It is also recognised that there are several policies in place to support the delivery of specific actions. With this in mind, it is currently anticipated that future evaluation activities associated with specific actions in the Action Plan will include:
- Fair Work conditionality (Action 2.1);
  - Real Living Wage and Hours Accreditation (Action 3.3); and,
  - Employability Support (Actions 4.2 and 4.3).
- 2.29 Existing commitments to evaluation activity related to the Action Plan are included in the Evidence Plan. These include evaluations of the Workplace Equality Fund, Disability Public Social Partnership activity, support to encourage flexible working and the Minority Ethnic Recruitment Toolkit.
- 2.30 It is anticipated that the different scope, scale and focus of the activities listed above will mean that different approaches will be required for each evaluation. The evidence gathered through management information and narrative reporting will feed into evaluation scoping. It is also currently anticipated that evaluations will be taken forward over a period of several years, to allow sufficient time for policies to be implemented and impacts observed, and recognising the limitations on resources in Scottish Government and the wider research community.
- 2.31 Table 1 gives an overview of actions contained in the Action Plan and the anticipated approach to analysing and reporting on their impact.

**Table 1: Evidence to report on impact of Fair Work Action Plan actions<sup>19</sup>**

Impact reporting approach	Action Plan activities (numbered)
<p><b>Management Information and narrative reporting</b></p>	<p>1.1 SG Pay Audit            1.2 Ethnicity pay gap            1.3 SFC Equality Outcomes            1.4 Senior leader network            1.5 Stats dissemination            2.2 Update FWF criteria            3.1 Central FW resource            3.2 Comms strategy            3.4 Learning from WE Fund            3.5 Positive action good practice            3.6 Flexible working guidance            3.7 Anti-racist training framework            3.8 Fair Work agreements            3.9 Strengthen effective voice            4.1 BG review            4.4 SDS/SFC action on learning disabilities            4.5 SDS Career Review            4.6 PHS health offer            Annex B – Fair Work priorities being taken forward across government</p>
<p><b>Progress indicators and evaluation evidence</b></p>	<p>2.1 Fair Work conditionality            3.3 Real Living Wage and Hours Accreditation            4.2 &amp; 4.3 Employability Support</p>

**Investigating impact for different groups**

2.32 Fair Work is underpinned by the principles of equity and equality of opportunity and outcome for all individual or group characteristics. To understand the impact of the activities set out in the Action Plan, progress reporting will be explored through their impact on different groups.

2.33 This will take different forms, depending on the action concerned and method of reporting. Where data permits, reporting of progress against actions and outcomes will set out data by protected characteristics, in particular for disabled people,

<sup>19</sup> As set out in paragraph 2.29, it is also envisaged that evaluations of the Workplace Equality Fund, Disability Public Social Partnership activity, support to encourage flexible working and the Minority Ethnic Recruitment Toolkit will be undertaken. These are not included in Table 1, as they are not specific actions within the Fair Work Action Plan.

women, people from racialised minority backgrounds, and where possible the intersections of these groups. Process and impact evaluations will explicitly consider the experiences of those with protected characteristics. In principle, evaluation evidence will draw on both quantitative and qualitative approaches to develop a broader understanding of the impact of Fair Work activities on different groups in Scotland's labour market.

2.34 Where possible, monitoring and evaluation activities for the Action Plan will take an intersectional approach. This will follow the existing Scottish Government guidance on intersectionality in policymaking and analysis.<sup>20</sup> Aligning to available resources, we will: consider intersectionality during project scoping, including our approaches to data collection; produce intersectional analysis where this is possible; supplement data gaps with qualitative research; and consider how to best capture intersectional experiences in our evaluation work.

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<sup>20</sup> Link to [Using intersectionality in policymaking and analysis](#) on the Scottish Government website

### 3. Broadening the evidence base for Fair Work in Scotland

- 3.1 The Evidence Plan also covers further work the Scottish Government will undertake to address data and wider evidence gaps across the different dimensions of Fair Work to inform further policy actions. These include work that will be undertaken to draw lessons on key Fair Work issues from comparable economies.
- 3.2 This chapter sets out activities to develop data on Fair Work in Scotland currently planned by the Scottish Government over the life of the Action Plan. It also sets out the areas where the Scottish Government intends to undertake further evidence gathering, over and above those required to evaluate activities in the Action Plan.

#### Developing data on Fair Work in Scotland

##### Developments since December 2022

- 3.3 It is important to note that there have been several important developments in the data available on Fair Work and labour market outcomes since the publication of the Action Plan in December 2022.
- 3.4 Scotland's Equality Evidence Strategy 2023-2025<sup>21</sup> was published in March 2023. This sets out the Scottish Government's plans to improve and strengthen equalities data in Scotland, including regarding labour market and economy data, and data on the Scottish Government's employability support.<sup>22</sup>
- 3.5 Following publication of the Equality Evidence Strategy, the Scottish Government published specific labour market data for Scotland by disability in May 2023.<sup>23</sup> This followed the publication of specific labour market data on ethnicity in December 2022.<sup>24</sup> Data on job-related training, including equalities data, was published in June 2023.<sup>25</sup>

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<sup>21</sup> Link to [Scotland's Equality Evidence Strategy 2023-2025](#) on the Scottish Government website

<sup>22</sup> Link to [Annex D: Tables of Actions to Improve the Equality Evidence Base - Scotland's Equality Evidence Strategy 2023-2025](#) on the Scottish Government website

<sup>23</sup> Link to [Labour Market Statistics for Scotland by Disability: January to December 2022](#) on the Scottish Government website

<sup>24</sup> Link to [Labour Market Statistics for Scotland by Ethnicity, January to December 2021](#) on the Scottish Government website

<sup>25</sup> Link to [Job-Related Training in Scotland: January to December 2022](#) on the Scottish Government website



## Planned activities between 2024 and 2026

- 3.6 There has also been work to further develop Fair Work data available for Scotland. This includes incorporation of new questions on aspects of Fair Work into the Annual Population Survey, which is collected by ONS.<sup>26</sup> This data is now available for January to December 2022.
- 3.7 The most significant data developments will arise from the ONS Transformed Labour Force Survey (TLFS). This project aims to improve the quality, granularity and timeliness of labour market data for the UK, through improvements to sample design and data collection methods. It is anticipated that the first estimates for Scotland from the TLFS will become available in March 2024. The ONS Annual Population Survey will continue in its current format until the end of 2023.<sup>27</sup>
- 3.8 It is anticipated that the TLFS will generate more accurate estimates of labour market activity for Scotland, with the annual data providing greater accuracy for detailed breakdowns of the population. There are likely to be improvements to questions and new questions added over time. Scottish Government statisticians are engaging with ONS on the TLFS on an ongoing basis to ensure that Scottish data needs are reflected in ONS's data development.
- 3.9 Scottish Government analysts will take forward detailed investigation of the TLFS during 2024. They will also engage with stakeholders on their outputs and findings, particularly the Fair Work Convention, to advise on Fair Work measures from the new transformed survey.
- 3.10 The Scottish Parliament's Economy and Fair Work Committee is currently undertaking an inquiry into the disability employment gap.<sup>28</sup> In evidence provided to the Committee thus far, issues around coverage of existing data have been highlighted, including regarding intersectionality. There are also long-standing issues around data for other protected characteristics. As part of the broader work to improve labour market data following the introduction of the TLFS, Scottish Government analysts will explore the feasibility of disseminating more detailed breakdowns within emerging labour market datasets, and on further developing the disaggregation available for protected characteristics to support more granular analysis. This work will take place during 2024 and beyond, with planned publications being pre-announced. Scottish Government analysts will also engage with stakeholders on our outputs, to ensure that these continue to meet the needs of users.
- 3.11 It is anticipated that these activities will improve the data available on the broader Fair Work context for Scotland, and will also support improved measurement of indicators related to the Action Plan's outcomes.

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<sup>26</sup> Questions included within ONS's Annual Population Survey that relate to Fair Work include Job and Career Progression; Job Representation; Manager Support; Bullied or Harassed at Work; Work Skills; Job Satisfaction; and Meaningful Work.

<sup>27</sup> Link to [Labour market transformation – update on progress and plans](#) on the Office for National Statistics website

<sup>28</sup> Link to the [Disability Employment Gap Inquiry](#) on the Scottish Parliament website

## **Developing further evidence on Fair Work to support future policy**

- 3.12 The evidence base on Fair Work continues to evolve. Both delivery of the current Action Plan and future policy development will require understanding of the effects of activities set out in the Action Plan, and an ongoing understanding of emerging evidence related to Scotland's challenges and priorities. While some of this will be generated by the monitoring and evaluation activities set out in chapter 2, the evidence base will also be added to by the activities of the Scottish Government and the wider research community in Scotland and beyond.
- 3.13 Based on the outcomes for the Fair Work Action Plan, and engagement activities in the development of the Evidence Plan, we anticipate that ongoing additional research activity will be concentrated around:
- The considerations employers' face when adopting Fair Work practices, and how these vary across sectors, by size of business, and by business model; and
  - How people are supported to prepare for, access, and sustain Fair Work.
- 3.14 Scottish Government analysts currently intend to take forward several activities in these areas over the lifetime of the Evidence Plan. These will be oriented towards informing and supporting future Fair Work policy development. Detailed scoping of specific projects will be developed with policy practitioners and stakeholders in due course.

### **Employers' considerations around Fair Work**

- 3.15 Employers are vitally important to the success of actions to improve Fair Work. This makes it essential to understand why employers do and do not choose to adopt different practices, and the challenges they may face when looking to do so, particularly if they face difficult trading conditions.
- 3.16 It is also important to ensure the evidence base is developed around challenges that businesses may face adopting Fair Work practices, particularly smaller businesses and those facing challenging trading conditions. The Fair Work Convention has undertaken detailed engagement in recent years across sectors where Fair Work adoption has traditionally been seen as challenging. Scottish Government analysts will engage with the Fair Work Convention following completion of the Hospitality Industry Inquiry<sup>29</sup> to identify areas where further research into challenges facing businesses may be valuable.
- 3.17 The Scottish Government is keen to ensure that the benefits of adopting Fair Work practices are widely understood, particularly with respect to how they can improve business performance. We therefore intend to review the existing and emerging evidence on impacts of workplace policies and practice on business outcomes and workforce wellbeing. As this will be of interest to a range of stakeholders, we will look

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<sup>29</sup> Link to the [Hospitality Industry Inquiry](#) on the Fair Work Convention website

to develop work in this space through engagement with the Fair Work Convention and the New Deal for Business Group.<sup>30</sup>

3.18 The Fair Work Convention has also recommended that the Scottish Government undertake further research to understand international best practice in improving skills utilisation, recognising that this makes an important contribution to workers' wellbeing, and to supporting business flexibility, adaptation and productivity improvement. We will look to take forward research in this area during the lifetime of this Evidence Plan.

### **How people are supported to prepare for, access, and sustain Fair Work**

3.19 It is important to understand the factors that support and hinder people when looking to access and sustain Fair Work. This is particularly the case for groups who have historically experienced labour market disadvantage.

3.20 The Fair Work Action Plan highlighted key evidence gaps in several areas, particularly around the contributory factors to the gender pay gap. In 2021 the Scottish Government commissioned the University of Warwick to undertake work to review varied international approaches to redress the undervaluation of women's work and assess their applicability to the Scottish employment context. The final report<sup>31</sup> draws lessons from other comparable economies on what is achievable and finds that undervaluation of women's work is a driver of the gender pay gap, and makes recommendations to alleviate this disparity. The Scottish Government will respond to these recommendations in Spring 2024.

3.21 There is a substantial literature on the dimensions of the gender pay gap and the factors contributing to it. The Fair Work Action Plan highlighted the importance of unpaid care on influencing the gender pay gap. It is also an area where factors like the Covid-19 pandemic may have exacerbated gender differences.<sup>32</sup> Scottish Government analysts will undertake a review of emerging evidence relevant to Scotland on the contribution of unpaid care towards the gender pay gap, to help inform future research agendas.

3.22 We also recognise the importance of developing the evidence base further on the actions that have been successful in supporting people from racialised minority backgrounds to access Fair Work. This is an area where there have previously been challenges within Scotland, owing to small sample sizes within household surveys. With this in mind, we intend to undertake further research in this area, drawing on and developing evidence based on lived experience where possible.

3.23 The Scottish Government has set a target to halve the disability employment gap by 2038 (from 2016 baseline of 37.4 percentage points). Though notable progress has

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<sup>30</sup> Link to the [New Deal for Business Group](#) on the Scottish Government website

<sup>31</sup> Link to [International Mechanisms to Revalue Women's Work](#) on the Scottish Government website

<sup>32</sup> Link to [Caregiving in Crisis: Gender inequality in paid and unpaid work during COVID-19](#) on the OECD website

been made towards this, the Fair Work Action Plan identified a need to further develop the evidence base around interventions to support disabled people into work. This is particularly important considering recent trends and challenges around economic inactivity. The Fair Work Convention's recent report on Measuring Scotland's Performance as a Leading Fair Work nation also recommends that this is an area where the Scottish Government looks to learn from practice in other countries.<sup>33</sup>

3.24 Although this is the subject of an ongoing inquiry by the Scottish Parliament's Economy and Fair Work Committee, the Scottish Government recognises that further work to develop the evidence base is required. We will undertake a comparative study of practice in other countries, based on the Fair Work Convention's recommendation. We will also consider future areas for research under the Evidence Plan following final recommendations from the Committee.

### **Engaging with the wider research community**

3.25 The evidence base in this area will continue to develop, and policymakers will require evidence to inform decisions and make the case for change, particularly as workplaces evolve and change in years to come.

3.26 While the Evidence Plan sets out areas where the Scottish Government will be seeking to develop evidence in the coming years, we recognise the importance of continuing to develop the evidence base across Fair Work. We are keen to encourage the development of the broader evidence base around Fair Work, and particularly evidence that can inform policy aligned to the outcomes of the Action Plan.

3.27 The Scottish Government hopes that the priorities articulated in this document will support those preparing applications to prospective funding bodies. It is intended to support those developing proposals for new research to articulate clear links between their work and the Scottish Government's areas of interest around Fair Work, helping to strengthen the case for the public impact of research.

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<sup>33</sup> Link to [Fair Work Convention's Response to: 'Measuring Scotland's Performance as a Leading Fair Work Nation'](#) on the Fair Work Convention website

## 4. Summary and next steps

### Summary

4.1 The Evidence Plan has set out the activity the Scottish Government intends to take to monitor Scotland's progress around Fair Work overall, and to monitor and evaluate the actions set out in the Fair Work Action Plan. It also covers further work the Scottish Government will undertake to address data and wider evidence gaps across the different dimensions of Fair Work to inform further policy actions. These activities are summarised in table 2:

**Table 2: Summary of activities in Fair Work Evidence Plan**

Evidence Plan objective	Analytical activity
Monitor Fair Work context and Scotland's progress towards being a leading Fair Work nation	<ul style="list-style-type: none"> <li>• Support updates of Fair Work Convention measurement framework</li> <li>• Collaborate with Fair Work Convention on describing Scotland's Fair Work progress</li> <li>• Support development of Fair Work Convention's international measurement framework</li> </ul>
Monitor and evaluate delivery of Fair Work Action Plan activities	<ul style="list-style-type: none"> <li>• Monitoring outcome progress indicators</li> <li>• Development of additional outcome progress indicators</li> <li>• Impact analysis through Management Information and narrative reporting</li> <li>• Evaluations of:               <ul style="list-style-type: none"> <li>○ Fair Work Conditionality</li> <li>○ RLW and RLH Accreditation</li> <li>○ Employability Support</li> <li>○ Workplace Equality Fund</li> <li>○ Disability Public Social Partnership</li> <li>○ Flexible Working Support</li> <li>○ Minority Ethnic Recruitment Toolkit</li> </ul> </li> </ul>
Develop and enhance data and evidence around Fair Work in Scotland	<ul style="list-style-type: none"> <li>• Analysis of ONS Annual Population Survey and Transformed Labour Force Survey</li> <li>• Evidence reviews on Fair Work impacts               <ul style="list-style-type: none"> <li>○ Impacts of workplace practices on outcomes</li> <li>○ International practice on skills utilisation</li> </ul> </li> <li>• Evidence reviews of how people are supported               <ul style="list-style-type: none"> <li>○ Contribution of unpaid care to gender pay gap</li> <li>○ Actions to support people from racialised minorities</li> <li>○ International practice on supporting employment for disabled people</li> </ul> </li> </ul>

- 4.2 The monitoring, evaluation, and evidence development activities in table 2 align with the medium term outcomes set out in Figure 2. Visual summaries of these are set out in [Annex 5](#).

## **Implementation and reporting**

- 4.3 Implementation of the evidence plan is expected to take place over several years. Development of indicators for monitoring outcomes, and broader data development through the Transformed Labour Force Survey, are ongoing. The timing of evaluation activities will be influenced by the characteristics of the activities being evaluated, and by the need to allow sufficient time for policies to be implemented and impacts observed. The additional research activities will be taken forward in the coming years, with detailed scoping and development of specific projects being developed with involvement from policy practitioners and stakeholders.
- 4.4 Approaches to reporting will also vary according to the type of activity being undertaken. Specific evaluation reports and research reports will be published on the Scottish Government website once completed. Statistics and data developments in relation to the TLFS will be published on an ongoing basis. Progress against indicators will be reported in the Fair Work Annual Report, while broader developments and new findings will be summarised as part of the reporting process.

## Annex 1: External stakeholders engaged with during design and drafting of the Fair Work Evidence Plan

Engagement	Dates
Fair Work Convention Co-chairs: direct engagement	25/07/2023; 16/11/2023
Fair Work Oversight Group	03/08/2023; 30/11/2023
Fair Work Convention: presentation to convention members during convention away-day	21/08/2023
Labour Market Evidence Network: Fair Work Subgroup: virtual meetings	01/09/2023; 25/10/2023; correspondence in November 2023

## Annex 2: Overview of Fair Work indicators contained in existing indicator frameworks

Fair Work Dimension	Fair Work Convention Framework	NSET Indicators of Success	Wellbeing Economy Monitor Indicators	National Performance Framework Indicators
Effective Voice	<p>Trade union membership and presence</p> <p>Collective bargaining (workers and employers)</p> <p>Adequate channels for employees to communicate, influence and negotiate</p>	Employee Voice		Employee Voice
Opportunities	<p>Disability employment gap</p> <p>Ethnicity employment gap</p> <p>Youth unemployment rate</p> <p>Economic inactivity</p> <p>Career progression</p> <p>Vertical and horizontal occupational segregation</p> <p>Access to flexible working</p>	Gender employment rate gap		Gender employment rate gap



<p>Security</p>	<p>Employees earning less than the real living wage</p> <p>Gender pay gap</p> <p>Permanent employment</p> <p>Involuntary non-permanent work</p> <p>Median gross week earnings (nominal and real)</p> <p>Under-employment (hours)</p> <p>Involuntary part-time work</p> <p>Hours of unpaid overtime</p> <p>Disability pay gap</p> <p>Ethnicity pay gap</p> <p>Zero Hours contracts</p> <p>Sick pay entitlement</p>	<p>Employees earning less than the real living wage</p> <p>Gender pay gap</p> <p>Contractually secure employment</p> <p>Income inequalities</p>	<p>Employees earning less than the real living wage</p> <p>Gender pay gap</p> <p>Income inequalities</p>	<p>Employees earning less than the real living wage</p> <p>Gender pay gap</p> <p>Contractually secure employment</p>
<p>Fulfilment</p>	<p>Job-related training</p> <p>Skill shortage vacancies</p> <p>Skills underutilisation</p> <p>Employer provided training</p>	<p>Job-related training</p> <p>Skill shortage vacancies</p> <p>Skills mismatched</p>		<p>Job-related training</p> <p>Skill shortage vacancies</p> <p>Skills under-utilisation</p>

	<p>Type of training (on/off the job) and duration</p> <p>Autonomy/ influence</p> <p>Work intensity</p>			
Respect	<p>Work-related ill health</p> <p>Working days lost due to ill-health</p> <p>Stress, anxiety or depression caused by work</p> <p>Working days lost due to stress, depression or anxiety</p> <p>Workplace non-fatal injuries</p> <p>Working days lost as a result of workplace injuries</p> <p>Fatal injuries</p> <p>Discrimination, harassment or bullying at work</p>			Work-related ill health

### Annex 3: Draft indicators and sources

**Table A.1: Medium term outcome – SG and other public sector organisations demonstrate leadership in Fair Work through embedded Fair Work practice**

<b>Link between outcome and indicator</b>	<b>Indicator</b>	<b>Source</b>	<b>Status</b>
Contribution	Scottish Government employment (% of workforce who are female/disabled/racialised minority)	Public Sector Equality Duty (PSED) monitoring data	Available
Contribution	Scottish Government pay gap (gender, disability, race)	Public Sector Equality Duty (PSED) monitoring data	Available
Contribution	Scottish Government vertical segregation (% of senior civil service who are female/disabled/racialised minority)	Public Sector Equality Duty (PSED) monitoring data	Only data for females currently available
Contribution	FE/HE sector employment data (% of workforce who are female/disabled/racialised minority)	Annual Population Survey (APS)	Under consideration – feasibility assessment to be completed
Contribution	Public sector employment (% of workforce who are female/disabled/racialised minority)	Annual Population Survey (APS)	Under consideration – feasibility assessment to be completed
Contribution	% of public sector employers publishing pay gap and action plan for gender, ethnicity and disability	Public Sector Equality Duty (PSED) monitoring data	Under consideration – feasibility assessment to be completed

**Table A.2: Medium term outcome – embed Fair Work in public sector financial support**

<b>Link between outcome and indicator</b>	<b>Indicator</b>	<b>Source</b>	<b>Status</b>
Attribution	Number of regulated contracts awarded that include a Fair Work First criteria	Public Sector Annual Procurement Reports	Available
Attribution	Number of grants awarded that include a Fair Work First criteria		Under consideration – feasibility assessment to be completed

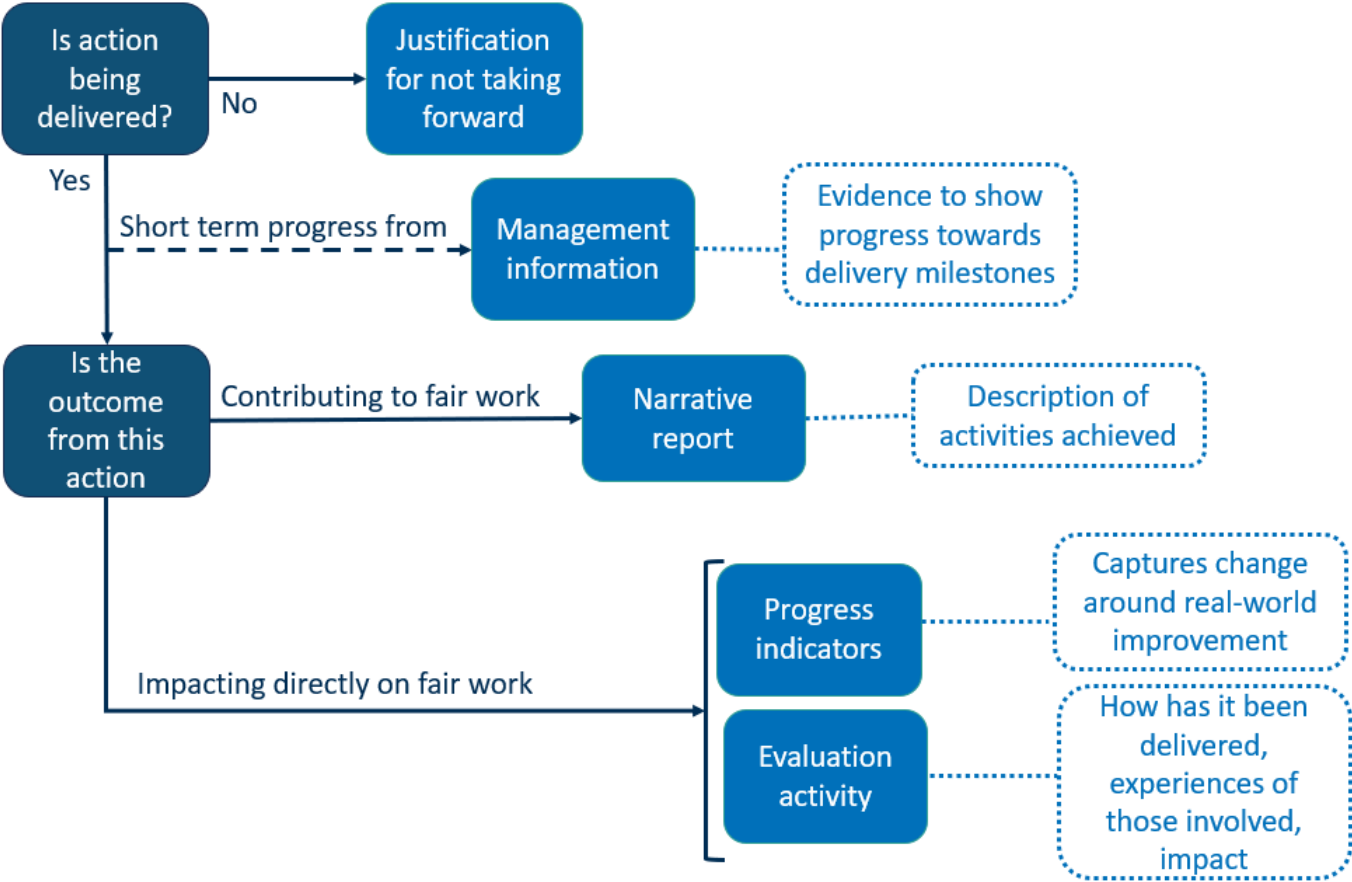
**Table A.3: Medium term outcome – employers are supported to offer Fair Work**

<b>Link between outcome and indicator</b>	<b>Indicator</b>	<b>Source</b>	<b>Status</b>
Attribution	Number of employers with Real Living Wage and Living Hours Accreditation	Poverty Alliance	Available
Attribution	Low pay in Fair Work agreement sectors (retail, construction, tourism, culture, social care, early learning & childcare), % of employees receiving the Real Living Wage and Real Living Wage Accredited employers	Annual Survey of Hours and Earnings, Poverty Alliance	Confirmed for social care, all other sectors under consideration – feasibility assessment to be completed
Contribution	Trade union membership in Fair Work agreement sectors	Annual Survey of Hours and Earnings, Transformed LFS (in future)	Under consideration – feasibility assessment to be completed

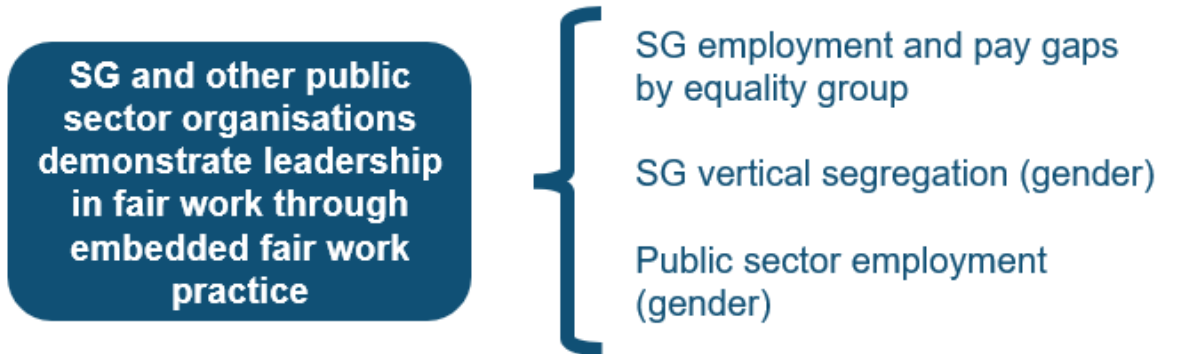
**Table A.4: Medium term outcome – people are supported to prepare for, access, and sustain Fair Work**

<b>Link between outcome and indicator</b>	<b>Indicator</b>	<b>Source</b>	<b>Status</b>
Contribution	Gender, disability and minority ethnic pay gap	Annual Survey of Hours and Earnings (gender)  APS (disability and minority ethnic)	Available
Contribution	Disability and minority employment gaps (employment rates for disabled people/racialised minorities)	APS	Available
Contribution	Gender (intersectional) employment gaps (employment rates for disabled women/racialised minority women)	APS	Under consideration – feasibility assessment to be completed
Contribution	Occupational segregation (gender)	APS	Available
Attribution	Number of people supported through No One Left Behind and Fair Start Scotland and progression (by equality and other groups of interest)	Devolved employment service statistics	Under consideration – feasibility assessment to be completed

# Annex 4: Evidence needs flow chart – individual actions



**Annex 5: Visual summary – medium term outcomes, indicators and data/evidence developments**



**Data and evidence to be developed**

Monitoring indicators	Evaluation	Evidence
SG vertical segregation (disability, race)	Minority Ethnic Recruitment Toolkit	
FE/HE Sector employment by equality group	Disability PSP	
Public sector employment (disability, race)		
Public sector employers publishing pay gap and action plan for equality groups		



**Fair work embedded in public sector financial support**

{ % of regulated contracts awarded that include Fair Work / fair work First National criterion

**Data and evidence to be developed**

**Monitoring indicators**

% of grants awarded that include Fair Work / Fair Work First criterion

**Evaluation**

Fair Work conditionality

**Evidence**



**Medium term  
outcome**

**Outcome monitoring  
indicators (confirmed)**

**Employers are supported  
to offer fair work**

Number of employers with real  
Living Wage and Living Hours  
accreditation

Low pay in social care

### **Data and evidence to be developed**

#### **Monitoring indicators**

Low pay in fair work  
agreement sectors  
(other than social  
care)

Trade union  
membership in fair  
work agreement  
sectors

#### **Evaluation**

Real Living Wage  
accreditation

Workplace  
Equality Fund

Support to  
encourage  
flexible working

#### **Evidence**

Impact of Fair Work  
workplace policies and  
practice on business  
outcomes and workforce  
wellbeing

Challenges facing  
businesses in embedding  
Fair Work

Improving skills utilisation



**People are supported to prepare for, access and sustain fair work**

- Gender, disability and minority ethnic pay gaps
- Disability and minority ethnic employment gaps
- Occupational segregation - gender
- Number of people supported through No One Left Behind and Fair Start Scotland by equality group

**Data and evidence to be developed**

<b>Progress indicators</b>	<b>Evaluation</b>	<b>Evidence</b>
Gender (intersectional) employment gaps	Employability support	International comparisons to address disability employment gap
Progression indicators for employability support by equality group		Contribution of unpaid care to gender pay gap  Effectiveness of interventions to address barriers to employment for racialised minorities



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