

Scottish Government make grant funding conditional on pay and conditions

The Scottish Government will introduce a new requirement that any organisations which receive public funding will have to pay their employees the real Living Wage and give their staff channels to have their say.

The real Living Wage is currently £10.90 for those in work outside London. The government will make it a condition of any arrangements made directly with them or their enterprise agencies, that the criteria are met, except in certain circumstances. The coalition agreement between the SNP and the Scottish Green Party included provision for a fairer and more equal economy which these new conditions are intended to help fulfil.

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Employment and Fair Work Minister Richard Lochhead and Green Skills, Circular Economy and Biodiversity Minister Lorna Slater visited MiAlgae, an Edinburgh industrial biotechnology company that has received public sector funding and whose

staff are paid at least the real Living Wage and have a voice in the workplace.

Mr Lochhead said: “The Scottish Government is committed to using public sector investment to drive up wages, tackle inequalities and give employees an effective voice.

“This policy is a significant step in strengthening our fair work agenda. For example, in 2021-22 Scottish Enterprise issued £135 million in grants to 953 businesses.

“Fair work and fair pay are good for business. They help improve staff retention and productivity, reduce recruitment costs and contribute to a skilled and motivated workforce.

“Scotland is already leading the way on paying the real Living Wage. In 2022 a record 91 per cent of employees aged over 18 earned the real Living Wage or more in Scotland – higher than the UK as a whole and above any other UK country. There are more than 2,900 accredited real Living Wage employers, which is proportionately five times as many as in the rest of the UK.

“Grant conditionality will strengthen our vision that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.”

Ms Slater said: “An effective voice for workers is vital to ensure better terms and conditions, worker wellbeing and developing progressive and fairer work places.

“The ability to speak, individually or collectively, and to be listened to, is essential to improving workers experience as well as improving organisational performance.

“We will work with employers, workers and trade unions, to continue improving the terms and conditions for employees of organisations applying for a public sector grant.”

MiAlgae Operations Director Dr Johann Partridge said: “At MiAlgae, the real Living Wage was something we have been fully committed to since the beginning. As an organisation our people are our most important asset and, for us, a happy and engaged team is crucial to our operations.

“Having open channels of communication between staff across every level and area of the business is something we are passionate about. We strive to ensure each member of our team feels empowered and confident to communicate and engage with each other about all elements of our work.”