



# Scotland's collective bargaining 2021

A report for the STUC

July 2021

Labour Research Department  
78 Blackfriars Road, London SE18HF  
0207 902 9800  
[www.LRD.org.uk](http://www.LRD.org.uk)

## Table of Contents

<b>Key points and recommendations</b> .....	5
Table A: Employees not covered by collective bargaining.....	6
Recommendations.....	8
Part 1: Introduction .....	11
Overall coverage.....	11
Table 1: Labour Force Survey statistics before and during the pandemic.....	12
Alternative data .....	12
Number of workers.....	13
Table 2: Employees not covered by collective bargaining (reproduced as Table A in ‘key points and recommendations’) .....	14
The Payline perspective.....	14
More than just statistics.....	15
Report structure .....	16
Part 2: Collective bargaining in Scotland.....	17
What do we mean by collective bargaining?.....	17
Scotland differences.....	18
Agreements negotiated in Scotland .....	19
Unions in Scotland.....	19
Employers in Scotland.....	20
Public sector employers.....	21
Employer associations.....	22
Reviewing the evidence .....	23
Public/private sector .....	23
Table 3: Private and public sector bargaining coverage.....	24
Occupation.....	24
Table 4: Occupational bargaining coverage .....	24
Workplace size .....	24
Table 5: Bargaining coverage by workplace size.....	25
Gender .....	25
Table 6: Bargaining coverage by gender.....	26
Part-time jobs .....	26
Table 7: Bargaining coverage by part-time and full-time status.....	26
Age.....	26
Table 8: Bargaining coverage by age band .....	26
Self-employment and freelance work.....	27
Table 9: Self-employment in Scotland (March 2019).....	27

Industrial sector .....	28
Table 10: Bargaining coverage by sector.....	29
The “union premium” .....	30
Pay, hours, holidays and sick pay.....	30
Results from voluntary recognition .....	32
Results from statutory recognition .....	32
Extending collective bargaining.....	34
Transfer of undertakings (TUPE).....	34
Sectoral bargaining .....	34
Table 11: Sectoral agreements and numbers covered in Scotland where known .....	36
More sectoral bargaining? .....	37
Extension.....	39
Supply chains .....	40
Local Charters.....	40
Other supportive infrastructure .....	40
Information gaps.....	40
Conclusions .....	41
<b>Recommendations</b> .....	41
Part 3: Sector profiles .....	45
Agriculture, forestry and fishing.....	45
Mining and quarrying .....	46
Manufacturing .....	48
Grant Westfield: statutory recognition.....	52
Gas and electricity, water, sewage and waste .....	52
Construction .....	53
Wholesale, retail and repair of motor vehicles.....	61
Lloyds Pharmacy: statutory recognition .....	62
Transport and storage.....	63
Babcock: statutory recognition .....	65
Loganair: statutory recognition .....	66
Prestwick Aircraft Maintenance Limited (PAML): statutory recognition .....	67
Accommodation and food services.....	68
Information and communications .....	69
Finance and insurance.....	71
Real estate and letting .....	72
Professional, scientific and technical services .....	74
Administration services.....	75

Mears Facilities Management: statutory recognition.....	75
Public administration.....	76
Education.....	79
Health and social care.....	81
Table 12: NHSScotland workforce.....	82
Table 13: Social care workforce.....	84
Cornerstone: recognition in social care.....	85
Art, culture and recreation.....	87
Creative industries.....	88
Other agreements.....	89
Other personal services.....	90
Part 4: Background data.....	91
Table 14: LFS Scotland data.....	91
Table 15: ASHE Scotland data.....	92
Table 16: LFS & ASHE compared (% and number).....	93
Arms-length external organisations (ALEOs).....	94
European data.....	95

## Key points and recommendations

The following key points and recommendations are based on a review of data on collective bargaining coverage in Scotland from official surveys, coupled with the Labour Research Department's Payline database, and extensive inquiries through trade union, employer, employer association and freedom of information channels, in autumn/winter 2020 and spring 2021.

1. Collective bargaining coverage in the Scottish Government's National Performance Framework increased to 38.1% in 2019 (implying coverage of around 882,000 employees). That was an improvement from 36.2% in 2018 and was 11 points ahead of the UK as a whole. Coverage appeared to drop to 33.9% in 2020, based on survey data collected in the final quarter, which may have been affected by low response rates and other challenges (union presence in workplaces appeared to rise).
2. A single figure for bargaining coverage based on the Labour Force Survey (LFS), as this is, may not be telling the full story, and it offers no perspective as to how to expand bargaining amongst Scotland's 2.3-2.4 million employee workforce. The job of this report was to look more deeply at that 2019 data, comparing and contrasting it with other information on bargaining coverage.
3. Alternative data from the Annual Survey of Hours and Earnings (ASHE) shows higher coverage at 51.6% (implying coverage of 1.235 million employee jobs) while confirming Scotland's lead over the UK as a whole. That higher level of coverage applies by gender and occupation, although there are anomalies in relation to small workplaces (lower than LFS) and among young workers (double the LFS level).
4. It may be no more than a coincidence, but the ASHE bargaining coverage for 2019 is far closer to the 55.1% of employees in Scotland who say (in the LFS survey) that there is a union presence in their workplace (membership density in Scotland is 29.3%).
5. Differences between the two surveys may reflect the questions asked, who was surveyed (employees or employers) and their perceptions of collective bargaining. Although it is defined in the Trade Union and Labour Relations (Consolidation) Act 1992, collective bargaining practices in the labour market can be much more varied.
6. There are unexplained variations in ASHE data at industry level, with some surprisingly low figures compared with LFS (in manufacturing, construction, accommodation and food services, information and communications, professional scientific and technical services, administration services and other personal services). Information presented in Part 3 of this report, which combines LFS, ASHE and Payline data on a sector-by-sector basis, lifts the lid on some of the circumstances involved.
7. Translating bargaining percentages into numbers of workers covered is revealing, showing that industries with the lowest percentage are not necessarily those with the greatest number of workers not covered by collective bargaining: the largest employee workforces not covered are in wholesale and retail, health and social work, and accommodation and food services (see Table A below).

8. Ultimately both LFS and ASHE are anonymous “black box” indicators; LRD Payline identifies named bargaining units (“agreements”) allowing the Labour Research Department to seek out estimates for the number of workers covered. Payline’s coverage and content for Scotland has been boosted – despite the Covid crisis - with help from unions, employers, employer associations and through the Scotland and UK freedom of information acts.
9. Information gathering is an on-going process, but despite a large number of outstanding gaps, Payline has already identified agreements covering 844,000 workers, almost as many as suggested by the Labour Force Survey (882,000). These are distributed in a large number of small agreements and smaller number of very large ones: around 875 in all, 660 when workplaces covered by a sectoral agreement are excluded (to avoid double counting).
10. For three quarters of these workers and in slightly more than half of these agreements, negotiations are Scotland-based. They include agreements covering types of workers who – in England – would have their pay determined by Government on the basis of Pay Review Body recommendations (like schoolteachers, prison staff and police officers). However, almost half of these agreements are UK-wide and may be negotiated elsewhere in the UK.

**Table A: Employees not covered by collective bargaining**

	<b>LFS</b>	<b>ASHE</b>	<b>LFS/ASHE average</b>
Wholesale and retail	317,000	238,000	278,000
Health and social work	251,000	86,000	169,000
Accommodation & food	147,000	180,000	163,000
Professional, scientific & technical	57,000	155,000	106,000
Administration services	51,000	154,000	103,000
Manufacturing	70,000	119,000	94,000
Construction	58,000	106,000	82,000
Transport & storage	94,000	39,000	66,000
Information & communications	49,000	74,000	62,000
Finance	69,000	43,000	56,000
Art, Culture and Recreation	n/a	44,000	44,000
Public administration	75,000	6,000	40,000
Other personal services	22,000	48,000	35,000
Education	47,000	15,000	31,000
Agriculture, forestry & fishing	28,000	26,000	27,000
Real estate	30,000	20,000	25,000
Mining & quarrying	13,000	n/a	13,000
Water and Sewage	14,000	7,000	11,000
Gas and Electricity	11,000	4,000	7,000

Source: These figures combine NOMIS totals for employee jobs by sector with LFS and ASHE percentages for collective bargaining coverage and (taking known discrepancies into account) are an approximate guide only.

11. ASHE data fulfils a role that LFS data cannot, showing that a large majority of bargaining in Scotland takes place at national or industry level (covering 34% of employee jobs, including those supplemented by lower-level bargaining). 17.3% are covered only by an organisational or workplace agreement. The prevalence of national and industry bargaining is another way in which Scotland differs from the UK as whole.

12. Payline confirms where these big sectoral agreements are, including the local government SJC agreement covering 160,000 (including local government staff now working through Health and Social Care Partnerships and in many arms-length external organisations); NHSScotland Agenda for Change covering 154,000; the Scottish Agricultural Wages Board covering 67,000 (if owner-occupiers are included) and the Construction Industry Joint Council (possibly 50,000).
13. More than 625,000 workers in Scotland are covered by sectoral agreements recorded on Payline, three quarters of the total. That is a slightly higher proportion (75% compared with 66%) than the 810,000-plus in the ASHE survey covered by national or industry agreements (including the small minority where that is supplemented by a sub-national, organisational or workplace agreement).
14. Sectoral bargaining can only occur where unions have an employer association (or a sector-wide employer) with which to negotiate. With the benefit of research previously carried out at Cardiff University, Payline has identified over 70 employer bodies that take part in sectoral agreements affecting workers in Scotland. There are more that don't currently take part in collective bargaining (including some included in the Certification Officer's listings).
15. Based on current and previous research we know that employer and union perspectives on sectoral bargaining vary: without membership strength at company/employer level and employers willing to act in concert (as they did in forming the new offshore Energy Services Agreement) sectoral bargaining can fall away, or suffer from other problems.
16. Scotland still has sectoral bargaining in some sectors that have lost it in England (like the baking industry); have seen it lose its authority (like the English further education sector); never had it (voluntary housing); or rely on Pay Review Bodies. With further backing from the Scottish Government, collective bargaining could soon be extended to the Social Care sector, bringing up to 100,000 more into bargaining coverage, but – as Table A shows – consideration also needs to be given to other sectors with large un-bargained for workforces.
17. More sectoral bargaining is only one way to extend collective bargaining. Other examples in the report include local charters that promote employment under agreed construction industry terms (South Lanarkshire); the demonstrated application of fair work principles by contractors; and the extension of agreements like the local government SJC and Agenda for Change to staff working for contractors and arms-length bodies (ALEOs).
18. There is a powerful self-employed/freelance sector within Scotland's workforce (306,000 in the year to December 2020<sup>1</sup>), including its creative sector. Although it is not apparent from LFS or ASHE data, a range of unions provide these workers with a voice in negotiations with employers and clients (collective groupings that don't see themselves as unions also address some of the same issues). The widespread use of "bogus" self-employment and non-direct employment is being questioned in the construction sector.

---

1

19. Examples quoted in the report show how union negotiations (whether they take place at the lower or upper end of their industry's earnings spectrum, or over a broad or narrow range of pay levels) reward skills, provide for pay advancement, and improve – often substantially – annual leave entitlement and sick pay.
20. Rather than focus on traditional measures of the “union premium”, the report shows how – through recognition – unions in Scotland have helped combat Covid-related pay cuts and sackings; improved relations with employers; and promoted more secure employment, New Year's Day shop closures, pay structure improvements, training, and the Living Wage.

## Recommendations

### *Scottish Government*

- A. **National Performance Framework:** in conjunction with the STUC, the Scottish Government may wish to review options for improving its measure of employee voice in the National Performance Framework; while this should continue to be based firmly on collective bargaining, finding a way to supplement LFS data on bargaining coverage with corresponding ASHE data and LFS data on union presence and membership density could have benefits.
- B. **Data:** the Scottish Government should explore statutory options for collecting and publishing new forms of data on collective bargaining, perhaps by drawing on European experience summarised at the end of this report (for example, in Spain). This will be particularly important if the intention is to move towards more sectoral bargaining.
- C. **Disclosure:** private businesses including charities could be encouraged to include a statement on the presence/coverage of collective bargaining arrangements (or their absence) in a standardised format as part of their annual accounts. Although that would probably have to be voluntary, successes like the Real Living Wage or the Two Ticks disability scheme suggest that even voluntary initiatives can be fruitful.
- D. **FOISA:** Freedom of Information legislation could be used (or extended) to secure routine annual statements from in-scope employers about their collective bargaining and the workforce covered by it, along the lines of gender pay gap reporting.
- E. **Certification Officer:** the CO, which employs eight staff in London but only one part-time Assistant Certification Officer (Scotland) in Edinburgh, could be encouraged and supported by the Scottish Government, to provide more comprehensive and reliable information about employer associations and unions operating in Scotland, including information about their Scotland membership and (in brief) how they fulfil their employment-relations purposes. As the CO is a UK-wide body, a novel or partnership-type approach might be required.
- F. **Employer associations:** with the Cardiff University framework and the details in Part 3 of this report in mind, employer associations that choose not to “negotiate” could be asked to confirm their status and explain their thinking, as a basis for starting a dialogue.
- G. **Sectoral initiatives:** taking its record in further education and social care as a starting point, the Government could seek to engage on a tripartite basis with private sector employer associations or groupings, to see if there is more that can be done to refresh and extend collective bargaining around minimum standards for their sectors. Given the large number of its workers who are not yet covered by collective bargaining, accommodation and food services could be a test case for later work in wholesale and retail; professional, scientific



and technical services; administration services; and manufacturing. Data on occupational coverage, alongside industrial sector coverage, could help in profiling these sectors.

- H. **Self-employment:** the developing campaign for more direct employment and better training in the construction sector, which appears to have support from employer associations and trade unions, could be the signal for new Government initiatives in that sector.
- I. **Promotion of collective bargaining:** there is a job to be done in raising the profile and public appreciation of collective bargaining, perhaps taking inspiration from the campaign around statutory pension auto-enrolment. The equality benefits that flow from collective bargaining should be promoted, perhaps in conjunction with equality rights bodies, noting that the public sector in particular has helped to deliver higher levels of bargaining coverage amongst women and part-time workers.
- J. **Extension:** successes and failures in the use of public procurement to extend collective bargaining to private contractors, and local “charters” also working to achieve that end, could be monitored and reported, perhaps through a “bargaining watch” angle supported by the Fair Work Convention’s existing activity.
- K. **Young workers:** specific projects to explore the conflicting data on coverage among young workers could be undertaken or commissioned, as the basis for a campaign to promote awareness of collective representation and collective bargaining among young people.
- L. **Small businesses:** further research into the conflicting data on bargaining coverage in small businesses could feed into a re-assessment of small-business exemptions (for example, on consultation or union recognition) and other aspects of the SME labour market.
- M. **‘Real’ campaigns:** building on successes for the Real Living Wage, and the developing Living Hours campaign, there may be scope to develop other benchmarks such as ‘Real Sick Pay’, ‘Real Time Off’ or ‘Real Flexible Working’, complementing efforts to promote more collective bargaining.

#### *STUC and unions*

- N. **Sectoral agenda:** with the move towards a more sectoral approach in mind, the STUC could encourage dialogue between its affiliated unions, on a sector-by-sector basis, towards a better understanding and an agreed perspective on how sector-level bargaining can develop further in Scotland without compromising the unions’ focus on workplace and establishment-level organisation and strength.
- O. **Charters:** unions that have already used sectoral initiatives such as Unite’s construction charter and Fair Hospitality charter, UNISON’s Ethical Care Charter, and the BFAWU’s fast food campaign could be asked to provide a report-back on the challenges they have faced, and successes achieved.
- P. **Experience:** individual unions who already have experience of sectoral bargaining could be encouraged to share their own ‘warts and all’ account of how it works in practice. That should encompass “positives” (such as the offshore and further education sectors, and longer-standing arrangements in housing) while learning lessons from where sectoral arrangements have been lost or abandoned (such as chemicals, road transport, or retail).
- Q. **New unions:** organising successes in challenging sectors for some of the small, “new”, non-STUC unions could be reviewed to see if there are lessons for the STUC and affiliates.
- R. **PRBs:** unions in sectors that – in England – come under Pay Review Bodies (primarily health, schooling and justice) could be asked to share their experience of their parallel and alternative bargaining arrangements as they exist in Scotland.

- S. **Self-employed:** the STUC, led perhaps by its creative-sector unions, could develop a dialogue with other organisations representing self-employed workers, to help identify new policy initiatives and priorities that the Scottish Government can take forwards.
- T. **Labour law:** in readiness for any further devolution of powers the STUC could commission or seek support for a review of options to strengthen employment law relevant to collective bargaining (such as TULR(C)A; statutory recognition; and statutory consultation), along the lines of the *Manifesto for Labour Law* launched in 2016 by the Institute of Employment Rights. It should also look at empowering individual workers and their representatives to disclose bargaining and contractual arrangements without fear of detriment; and to allow workplace access for union officials.
- U. **Data:** STUC affiliates could be encouraged to review the information that has so far been assembled on LRD Payline about their own agreements (as well as their experience of using commercial data such as the Fame database to support their organising work in Scotland) in preparation for a further round of pressure on the Scottish Government to “up its game” on collective bargaining and employee voice.

## Part 1: Introduction

This is the main report of a project to map collective bargaining in Scotland, carried out in late 2020 to early 2021 by the Labour Research Department (LRD) for the Scottish Trades Union Congress (STUC). LRD is an independent trade union-based research organisation and information provider<sup>2</sup>.

The work was supported by the Scottish Government, which accepts that workers' voice contributes to a successful economy with wellbeing and inclusive growth at its heart. It has made "effective voice" part of its Fair Work Framework and has adopted collective bargaining coverage as an indicator of progress in its National Performance Framework.

The objectives set for the project included:

- a. to develop a more complete picture (and an improved understanding) of where collective bargaining agreements exist in Scotland, allowing an analysis of the level of coverage that already exists within sectors (and the number of workers who already benefit from collective bargaining agreements) and the scope for expansion by trade unions;
- b. to compile a complete list of all sectoral agreements in Scotland and analysing the effectiveness and the coverage of these agreements that set standards for work across a range of sectors in Scotland (which will help support the promotion of Fair Work and the Fair Work First initiative);
- c. to analyse the types of agreements and the types of issues that are covered in collective agreements in Scotland and the sectoral profile of any variation;
- d. to identify sectors or subsectors where collective bargaining coverage is low or there are anomalies in coverage between groups of workers; and
- e. to highlight the value of collective bargaining and the union dividend.

## Overall coverage

The **Labour Force Survey** (LFS) produced by the Office for National Statistics (ONS) is currently being used as the data source for collective bargaining coverage in Scotland. It tells us that in 2019, 38.1% of employees in Scotland said they were part of a collective agreement affecting their pay and conditions, up from 36.2% in 2018. However, that figure dropped in 2020 to 33.9% (see below).

It is worth remembering that these are estimates based on a random UK-wide survey of about 37,000 households (87,000 people). LFS asks whether their pay and conditions of employment are "directly affected by agreements between your employer and any trade union(s) or staff association(s)?"

LFS also asks about union membership and union presence in their workplace: 29.3% of employees in Scotland said they were union members in 2019 (a total of 670,000, *Trade Union Membership Statistics, UK 1995-2019*) while 55.1% said there was a "union presence" in the workplace. While neither of these figures counts towards the Scottish Government's performance indicator, both have a bearing on issues addressed in this report.

The apparent drop in bargaining coverage between 2019 and 2020 recorded in the National Performance Framework is reflected in *Trade Union Membership Statistics* (published by BEIS). The

---

<sup>2</sup> [www.lrd.org.uk](http://www.lrd.org.uk) 78 Blackfriars Road, London SE18HF

figures in Table 1 suggest that the apparent fall was more pronounced in Strathclyde (down from 40.4% to 35.7%) than in the rest of Scotland (from 36.7% to 32.8%).

LFS statistics quoted throughout this report are from 2019, and it has not been possible to look in depth at the fall in coverage in 2020, but this variability is clearly important, particularly as union membership density and union presence in the workplace did not change in the same way.

**Table 1: Labour Force Survey statistics before and during the pandemic**

Union membership		Trade unions present in workplace	Employee's pay affected by collective agreement between employer and union
<b>2020</b>			
Strathclyde	32.3%	58.3%	35.7%
Rest of Scotland	26.9%	56.5%	32.8%
<b>2019</b>			
Strathclyde	33.7%	57.3%	40.4%
Rest of Scotland	26.4%	53.8%	36.7%

Source: Trade Union Statistics table 4.3

A detailed examination of this apparent drop in bargaining coverage in 2020 is beyond the scope of this report. However, the data on which these 2020 results are based was collected during the pandemic (in the 4th quarter of 2020) when there was a change in survey methods (from face-to-face interviews to a telephone-based approach) with a substantial fall in the response rate. There were also changes in the population weights used.

It is impossible to say whether pay pauses and freezes relating to the pandemic played any part in responses on bargaining coverage (whether the employee's pay was affected by a collective agreement). However, it may be significant that while trade union membership density dropped in Strathclyde, that was not to the same extent that bargaining coverage declined, while density went up slightly in the rest of Scotland. Reported union presence in the workplace went up in both parts of Scotland, moving in the opposite direction to bargaining coverage.

#### Alternative data

A second ONS survey, the **Annual Survey of Hours and Earnings (ASHE)**, has the potential to provide a contrasting estimate of the number of workers in Scotland covered by collective bargaining, which it does. It puts bargaining coverage in 2019 at **51.6% of jobs**, much higher than the 38.1% LFS figure.

**LFS 38.1% of employees**

**ASHE 51.6% of employee jobs**

ASHE gets different results asking a different set of people - employers – a different question: “Was the employee's pay set with reference to an agreement affecting more than one employee? For example, pay may be agreed collectively by a trade union or workers' committee”.

If that was all that ASHE asked, we might wonder if those answering “yes” were really thinking about a union negotiated collective agreement – what that means is addressed in Part 2 of this report.

However, employers answering “yes” to the first ASHE question are then asked what type of agreement was made for that particular employee. A third of employers, 65% of those answering

yes, refer to a national or industry agreement, supplemented in some cases by a lower-level agreement, while 17% say an organisational or workplace agreement (see Part 4).

One thing that ASHE does underline is how distinctive Scotland is within the UK as a whole. Overall UK coverage is 39.2% compared with Scotland's 51.6%. Within that, 23.0% of UK employee jobs are covered by a national or industry agreement (including those where that is supplemented more locally) compared with Scotland's 33.9%. Total coverage in Scotland's private sector is higher too (26.5% compared with the all-UK figure of 21.1%).

### Number of workers

The LFS and ASHE statistics mentioned above are percentages only, they don't reveal how many workers are actually involved. One of the objectives of this report is to assess the number of workers who already benefit from collective bargaining agreements, and where coverage is low.

Data on employment in Scotland can help turn these percentages into more tangible, numerical estimates. Figures from one official source suggest that there are 2,449,657 workforce employee jobs in Scotland excluding households as employers<sup>3</sup>.

LFS and ASHE statistics were supplied for this report by the Department for Business, Energy and Industrial Strategy (BEIS) – they're reproduced in Part 4 of this report. They came with their own similar but slightly different workforce counts.

- the LFS 38.1% figure is based on 2,314,000 employees in Scotland and suggests that just under 882,000 employees were covered by collective bargaining in 2019;
- the ASHE 51.6% figure is based on 2,393,000 employee jobs in Scotland, suggesting that just under 1.235 million are covered.

**LFS 882,000 employees**

**ASHE 1,235,000 employee jobs**

Put in numerical terms these figures point to a discrepancy of more than 350,000 employees or employee jobs that might be covered by collective bargaining in Scotland, leaving us with two quite different estimates for the number of employees/employee jobs not covered by bargaining, and an "average" between the two surveys of 1.259 million.

**LFS not covered 1.432m**

**ASHE not covered 1.158m**

One of the objectives set for this report was to establish the level of coverage and identify sectors where coverage is low. However, it is at industry level that the discrepancies between LFS and ASHE are most acute. Sectors presenting the greatest challenge, where an extension of bargaining coverage might make the greatest impact on the Scottish Government's National Performance Framework, are ranked towards the top of Table 2 (below) but it also highlights the ambiguity between the two data sources.

<sup>3</sup> These figures are derived from NOMIS, a service provided by Durham University under contract to the UK Office for National Statistics (ONS); see also Part 4.

By number, wholesale and retail, health and social work, and accommodation and food services present the greatest challenge, followed by professional, scientific and technical services, administration services and manufacturing. More sectoral information is provided in Part 2 and 3.

**Table 2: Employees not covered by collective bargaining (reproduced as Table A in ‘key points and recommendations’)**

	LFS	ASHE	LFS/ASHE average
Wholesale and retail	317,000	238,000	278,000
Health and social work	251,000	86,000	169,000
Accommodation & food	147,000	180,000	163,000
Professional, scientific & technical	57,000	155,000	106,000
Administration services	51,000	154,000	103,000
Manufacturing	70,000	119,000	94,000
Construction	58,000	106,000	82,000
Transport & storage	94,000	39,000	66,000
Information & communications	49,000	74,000	62,000
Finance	69,000	43,000	56,000
Art, Culture and Recreation	n/a	44,000	44,000
Public administration	75,000	6,000	40,000
Other personal services	22,000	48,000	35,000
Education	47,000	15,000	31,000
Agriculture, forestry & fishing	28,000	26,000	27,000
Real estate	30,000	20,000	25,000
Mining & quarrying	13,000	n/a	13,000
Water and Sewage	14,000	7,000	11,000
Gas and Electricity	11,000	4,000	7,000

Source: These figures combine NOMIS totals for employee jobs by sector with LFS and ASHE percentages for collective bargaining coverage and (taking known discrepancies into account) are an approximate guide only.

### The Payline perspective

The LFS and ASHE statistics can be broken down in various ways (see Parts 2, 3 and 4) but they are still a “black box” of anonymised figures. The LRD Payline database, adapted and boosted for this project, offers a completely different perspective on the same labour market reality.

Rather than survey individual employees (or the employers of individual employees) it identifies bargaining units where pay and conditions of employment are set, in most cases through employer-union or employer association-union agreements.

As this report was being completed, information was still coming in from individual trade unions and in response to Freedom of Information inquiries. By the end of March 2021 Payline had identified around 875 bargaining units large and small operating in Scotland – around 660 if workplaces or employers covered by a sectoral agreement are excluded, covering an estimated 844,000 workers, almost as many as we have calculated from the LFS estimate.

That total was certain to be an under-estimate, as in approximately half of those agreements a number for the size of the workforce covered in Scotland had not yet been confirmed (although it is believed to include estimates for the biggest bargaining groups).

**Agreements recorded on Payline covered at least 844,000 workers in Scotland**

Payline's normal approach is to rely on trade unions to provide this information, supplemented in this case by the Freedom of Information (Scotland) Act 2002 (FOISA) and the Freedom of Information Act 2000. Securing union input for this report was, in any case, essential not only to estimate numbers covered but also to meet other objectives of the project (see above).

Employers and employer associations may have had less reason to share their records of how many workers are covered by collective agreements, although some willingly did. Encouraging or requiring them to do so (as is done in some other European countries, see page 95) might yield more complete results in further research.

While unions often have membership statistics readily to hand, it is harder for them to know how many workers (including non-members) are covered by a particular agreement. In this instance that was made far harder by the Covid-19 pandemic, when employers and unions alike had unprecedented difficulties and risks to deal with.

The research was originally due to start in March 2020, coinciding almost exactly with the start of the first "lockdown". It was delayed until September 2020, but then had to be carried out under lockdown conditions. The fact that so much information was provided at a time of crisis, when priorities around health, safety and economic survival were so pressing, cannot be underestimated.

We would like to acknowledge assistance received from trade unions (affiliates of the STUC and others), from individual reps and officers, trades councils, employer associations and FOI staff at many public sector organisations; researchers at Cardiff University Business School<sup>4</sup>; staff at Eurofound<sup>5</sup>; and the Scottish Government for funding this research.

### More than just statistics

Finally, it is important to acknowledge that the information presented here reflects an active bargaining scene, changing and evolving as the economy, labour market and employment relations develop. Some of the events playing out as this report was completed illustrate that:

- Offshore unions GMB, RMT and Unite announced the formation of a new sectoral Energy Services Agreement, replacing the former Offshore Contractors Association (OCA) agreement;
- Unite members employed by SAICA Packaging UK in Edinburgh and Milngavie began industrial action over proposed contract changes that were outside the Corrugated Packaging agreement negotiated with the Confederation of Paper Industries (CPI);
- Santander which employs over 2,800 staff at its Scotland branches and subsidiaries (under collective agreements negotiated with Advance and the CWU) announced a big programme of branch closures but - having consulted its trade unions - expected to be able to find alternative roles for a significant number wishing to stay with the bank;

---

<sup>4</sup> Information provided about their research into employer associations, see Part 2

<sup>5</sup> Information provided about how collective bargaining is monitored in other European countries, see Part 3

- GMB members began an equal pay campaign across Dundee City Council, Tayside Contracts and Leisure and Culture Dundee;
- NHSScotland staff covered by the Agenda for Change agreement were offered a 4% pay rise, further widening the gap with Agenda for Change in England's health service; and
- Scottish Water found itself in dispute with Unite Scotland, GMB Scotland and UNISON Scotland over issues of pay and bonuses.

### Report structure

The research has thrown up a huge amount of information and this report is therefore divided into four parts, including this introduction (Part 1):

Part 2 addresses the overall objectives of the project, drawing relevant conclusions;

Part 3 uses data from a range of sources to provide a more detailed sector-by-sector profile of bargaining in Scotland, taking sector and company-level bargaining into account;

Part 4 sets out some of the statistics and data referred to in the report (Tables 14 to 16); provides information on arms-length external organisations (ALEOs); and briefly highlights the approach taken to gathering and providing information on collective bargaining in some EU member states.



## Part 2: Collective bargaining in Scotland

This part of the report considers the evidence on collective bargaining in Scotland, focussing on:

- what we mean by collective bargaining, the parties involved and how Scotland differs to the rest of the UK;
- what LFS and ASHE evidence shows about the prevalence of collective bargaining across different sections of the workforce, and how Payline data supplements and illuminates that;
- what collective bargaining brings to the table in terms of the issues workers care about;
- what mechanisms with the potential to extend collective bargaining have to offer, including sectoral bargaining; and
- conclusions arising from the project as a whole.

### What do we mean by collective bargaining?

Where in Scotland is there collective bargaining? In the LFS and ASHE surveys it is down to those taking part to decide. A 2013<sup>6</sup> report comparing the two surveys concluded that some employees in the LFS “may not be aware that their wages and terms and conditions are subject to collective agreement negotiated by trade unions or staff associations at the organisation level”.

That can’t be helped by the fact that about a third of LFS responses are proxy (taken usually from another related adult who is a member of the same household). But there is also some ambiguity in the ASHE question about “an agreement affecting more than one employee” (see page 12) and ASHE does not produce uniformly higher estimates.

Trade unionists might say it isn’t “full” collective bargaining or recognition if it doesn’t allow for agreement on levels of pay, but the *Trade Union and Labour Relations (Consolidation) Act 1992* (TULR(C)A) is less exacting (S178). It defines a collective agreement as “any agreement or arrangement” made by or on behalf of one or more trade unions and one or more employers or employers' associations, relating to “one or more” of the matters listed in the Act:

- a. terms and conditions of employment, or the physical conditions in which any workers are required to work;
- b. engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;
- c. allocation of work or the duties of employment between workers or groups of workers;
- d. matters of discipline;
- e. a worker's membership or non-membership of a trade union;
- f. facilities for officials of trade unions; and
- g. machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures.

The Act includes two definitions of unions. Unions all have principal purposes that include “the regulation of relations” with employers, but “independent” unions are those which are not under the domination or control of, or liable to control by, an employer or group of employers/employer

---

<sup>6</sup> <https://www.gov.uk/government/statistics/trade-union-membership-statistics-measuring-bias-in-the-labour-force-survey>

associations. Certain rights are reserved for independent unions, including the right to use the statutory recognition procedure (see page 32).

It falls to the Certification Officer (CO) to issue certificates of union independence (there is also a part-time Assistant Certification Officer (Scotland) based in Edinburgh whose role appears to be rather limited). The Certification Officer also lists or schedules employer associations (see below).

Recognition and “recognised”, under the Act, mean there is recognition of the union by an employer, or two or more associated employers, “to any extent”, for the purpose of collective bargaining, although in the rare cases where the Central Arbitration Committee imposes recognition (see below) it must cover pay, hours and holiday entitlement.

Payline is primarily a database of collectively-agreed pay and conditions but it includes some employers who don’t recognise unions (like Amazon, some of the Living Wage retail chains, and the armed forces). Those employers are discounted in calculating bargaining coverage.

Unless specified in an agreement, the results of collective bargaining aren’t legally binding (S179). The Communication Workers’ Union’s agreement with the Royal Mail (which covers most of its 10,700 staff in Scotland) is a rare exception. Bargaining methods imposed by the Central Arbitration Committee are another example (see statutory recognition, below).

In practice things tend not to be as clear-cut as these definitions imply. For example, collective bargaining could be thought of as the opposite of unilateral decision-making by employers. However, the recent spate of “fire and re-hire” disputes, including at British Gas, show that isn’t always the case.

Other “grey areas” in the field of collective bargaining include:

- bargaining in parallel with other consultative arrangements, including those operating under the Information and Consultation of Employees Regulations 2005 and other statutory consultation arrangements;
- some employers enter into collective bargaining arrangements at certain sites, or on particular contracts or in specific parts of their business (for example, in their logistics operations) but not others;
- employers may “recognise” unions to one degree or another but not allow them to negotiate on pay – there are big-name examples in Scotland’s retail and insurance sectors; and
- some won’t recognise unions at all, even where they may have acknowledged members in their workforce who may be acting as companions in discipline and grievance cases; on consultative committees; or as a point of contact with a union official if needed (these circumstances are not examined as part of this report).

### Scotland differences

Apart from its generally higher level of coverage Scotland is marked out by the very limited role played by the UK’s independent Pay Review Bodies. In England and Wales their role is the subject of

a lively debate between unions but in Scotland more classic collective bargaining arrangements prevail in those sectors:

- Schools: tripartite negotiations like the Scottish Negotiating Committee for Teachers (SNCT)
- Prison Service: a negotiated agreement between unions and the Scottish Prison Service
- Police: Police Negotiating Body (PNB) negotiations
- Health: negotiations through the Scottish Terms and Conditions Committee (STAC) which shape the application of Agenda for Change and the Doctors and Dentists terms

These and other examples highlight the fact that there is a Scotland-specific dimension to collective bargaining and that extends to the organisation of the STUC itself and affiliated unions, among employer associations, and in the machinery of Government.

### Agreements negotiated in Scotland

Collective agreements operating in Scotland include those that only apply in Scotland plus those that also apply in other parts of the UK, which may well be negotiated outside Scotland. There are slightly more Scotland-only agreements than UK-wide Payline agreements being taken into account in this report (around 350 and 320 respectively) but it is an important distinction.

Within Scotland the Scotland-only agreements cover far more workers than the UK-wide agreements (around 660,000 as against 190,000) but many of the UK-wide agreements will have greater overall coverage than that once the workforce in England, Wales or Northern Ireland is taken into account.

However, it is not a static picture. The Fire Brigades Union has been in extended talks about a new agreement for the Scottish Fire and Rescue Service, as distinct from the long-standing UK-wide framework. Higher education, covered by the New Joint Negotiating Committee for Higher Education Staff (JNCHES), is another sector where something of that sort might arise at some point.

And in the construction industry the Scottish Building Federation points out that employers have the option of moving to a Scotland-specific arrangement although they have presently chosen not to. The SBF is a leading employer-association member of the Construction Industry Joint Council (CIJC) and the Scottish Building Apprenticeship and Training Council (SBATC).

### Unions in Scotland

Scotland of course has its own independent trade union confederation, the STUC, although most unions active in Scotland are part of bigger UK-wide unions. In the Certification Officer's last report (2019-2020) there were 139 "listed" or "scheduled" UK unions but only 90 had a certificate of independence. So, a proportion of the UK's 6,695,098 members are not represented by an independent trade union.

"Listing" by the Certification Officer is voluntary, but the CO supplements that with a "Schedule" that names organisations it thinks meet the statutory definition but have not sought to be included. Currently, on the trade union side, that includes the Trades Union Congress (TUC) and the International Transport Workers' Federation. In 2019-20 the CO added 3 unions to its list, removed 6, and dealt with 2 transfers of engagements.

Many unions on the Certification Officer's list or schedule are small: 47 have under 500 members each whereas 12 have a membership of over 100,000 each. Between them those larger unions accounted for 5,708,386 members across the UK (85.3%).

The Certification Officer lists/schedules the names of union organisations with their head office in Scotland (see below) but not those that operate in Scotland or have members in Scotland (which might be more useful). The STUC itself is not in the list or schedule, although all its 41 affiliates are, except the Scottish Society of Playwrights.

#### Unions in Scotland named in the Certification Officer annual report 2019-20

- Aegis the Union (certificate of independence, affiliated to STUC)
- Association of Head Teachers and Deputies in Scotland (certificate of independence)
- Educational Institute of Scotland, EIS (certificate of independence, affiliated to STUC)
- Independent Federation of Nursing in Scotland
- Scottish Artists Union, SAU (affiliated to STUC)
- Scottish Secondary Teachers' Association SSTA (certificate of independence, affiliated to STUC)
- Solidarity
- United and Independent Union (certificate of independence)

A number of new unions have sprung up in recent years, adding to the impetus towards new fields of collective bargaining. One of the most high-profile examples is the Independent Workers' Union of Great Britain, but – when contacted - IWGB Scotland said it had no collective agreements. These new unions are typically not affiliated to the TUC or STUC (yet) but the Scottish Artists Union (formally constituted in 2001) is an STUC affiliate and the Pharmacists Defences Association Union (PDA) has recently joined.

Other unions active in Scotland which are not yet STUC affiliates are parties to relevant collective agreements. They include the Nationwide Group Staff Union (NGSU) whose UK-wide agreements cover about 850 building society staff in Scotland, and the Scottish Police Federation (SPF) with over 17,000 members (it has a clear role in bargaining even though its members lack many of the normal employment rights).

#### **Employers in Scotland**

While some employers in Scotland negotiate with Scotland-based unions and may belong to Scotland-based employer associations the UK-wide dimension is just as significant for the employer associations as it is to the trade union movement.

The Certification Officer makes no attempt to list individual employers who take part in collective bargaining, or those belonging to employer associations that do (see below). Some unions make use of commercial data on employers (like Fame<sup>7</sup>) as part of their organising work, and of course there is the Freedom of Information Act (FOISA); but otherwise, data on collective bargaining from the employers' side would depend on what they are willing to disclose or include in their annual reports (some other European countries have a different approach, see page 95).

---

<sup>7</sup> Bureau van djik

Tesco, for example, said it has 26,000 “colleagues” including 1,500 in distribution (in Livingston) and about 1,500 in its Dundee Customer Engagement Centre (as well as over 2,000 in the Glasgow and Edinburgh offices of Tesco Bank). Company accounts and websites sometimes include this sort of information and many have been checked for this report, to establish:

- whether they operate in Scotland;
- how many staff they employ; and
- whether any details are provided about their relationship with trade unions.

Whisky and spirits distiller and bottler Edrington<sup>8</sup> employs around 2,500 employees in distilling, coopering, blending, bottling and marketing of Scotch whisky and rum. Its annual report says it engages with recognised trade union partners through partnership meetings, which are held on a quarterly basis, as well as its employee engagement structures:

*“In 2020/21 we will re-establish our staff forum (which has been on hiatus since 2018) on a formal basis and appoint members from a representative cross-section of employees in the business. The intent is to support meaningful engagement with employees on a number of topics that have a direct impact on the employees. Towards the end of the financial year, engagement with our employees, trade union partners and the paramount importance of employee safety informed our decision to cease Global Supply Chain operations with effect from 25 March 2020 in light of the COVID-19 pandemic”.*

Cornerstone Community Care recently reached a voluntary recognition agreement, following UNISON’s application to the Central Arbitration Committee (see page 85), and celebrates that agreement on its web site:

*“The spirit and intent is to promote and maintain the best possible open, respectful and healthy employment relationship between all Cornerstone’s employees, relief workers and Unison. The agreement will help both organisations work towards a common objective that drives efficiency, effectiveness and sustainability whilst promoting security of employment and advancement of employees (and workers)”.*

### Public sector employers

Scotland’s public sector is proportionately bigger than in the rest of the UK and much but not all of it either comes under the control of the Scottish Government or under the umbrella of the Convention of Scottish Local Authorities (COSLA).

The *Freedom of Information (Scotland) Act 2002* (FOISA), which has been extended on a number of occasions<sup>9</sup>, helped provide information for this report on a wide range of public sector agreements, including those negotiated by COSLA, but could be more effective if it simply required employers to disclose information on bargaining and coverage routinely each year (as with gender pay gap reporting).

---

<sup>8</sup> Annual Report and Financial Statements for the year ended 31 March 2020. <https://annualreport.edrington.com/annual-report-2020/img/uploads/2020/06/Annual-Review-Key-Financial-Statements-2020.pdf>

<sup>9</sup> Extensions applied between 2013 and 2019 brought into scope registered social landlords and their subsidiaries, ALEOs, grant-aided and independent special schools, providers of secure accommodation, Scottish Health Innovations Limited, and private prison contractors

FOISA has also helped in providing information on the extension of local government agreements in arms-length external organisations (ALEOs, see page 94), on contractors providing staff/labour for the delivery of public services, and on council and NHS staff now working through Health and Social Care Partnerships/Integration Joint Boards (IJBs).

### Employer associations

Identifying the scope of sectoral bargaining in Scotland was one of the objectives of this project, so it has been important to consider the role of employer associations. These are defined in the *Trade Union and Labour Relations (Consolidation) Act 1992* (S123) as organisations consisting wholly or mainly of employers or individual owners of undertakings of one or more descriptions “whose principal purposes include the regulation of relations between employers of that description or those descriptions and workers or trade unions”. Constituent or affiliated organisations that fulfil those conditions, or their representatives, also count.

The Certification Officer keeps a record of employer associations, providing on-line access to their annual returns, and usually to their website. As with trade unions, listing is voluntary but organisations which the CO thinks meet the definition are also added to its Schedule.

Its 2019-20 report names 85 employers’ associations: 52 are voluntarily listed but 33 more are included because the CO thinks they meet the statutory definition. It records whether they were registered in England or Scotland, but it does not record which ones operate in Scotland – something that could usefully be done by the Assistant Certification Officer for Scotland.

The inclusion or exclusion of specific employer associations from the CO list and schedule is not particularly transparent. The Scottish Building Federation (SBF) was recently removed, apparently with no explanation given. On the other hand, there are employers’ associations listed that no longer take part in collective bargaining (such as the Malt Distillers Association of Scotland).

Researchers at Cardiff University (Leon Goberman, Marco Hauptmeier and Edmund Heery) identified 447 employers’ organisations in their recent study (*A typology of employers’ organisations in the United Kingdom*<sup>10</sup>). With some overlaps, they fell into four main types:

- “negotiating” organisations which engage with unions through collective bargaining (59 examples were named, and a copy of that list was provided to LRD to assist with this mapping project);
- “lobbying” organisations that represent employer interests in the political process and prioritise influencing Government (over half of the employer organisations were seen as falling into this category);
- “standard-setting” organisations that develop codes of conduct and best practice, working with other parties in civil society to embed good practice (only a few, matching this role, were identified); and
- “service” organisations which focus on the cost-effective delivery of business services, including those linked to human resources management (HRM) and employment relations (making up the balance of the 447 examples).

---

<sup>10</sup> <https://orca.cf.ac.uk/100195/3/Typology%2520E>

Over half of the employer organisations identified in that research were “lobbying” organisations, compared with 59 that were “negotiating” bodies. Most of the rest were “service” organisations, while just a few engaged in “standard-setting” (concerned mainly with the implications of social issues such as disability or equality in relation to their members’ interests as employers).

Based on these sources and on new enquiries for this project, LRD has so far identified and confirmed 73 employer associations or sectoral employer bodies as active in Scotland, of which 42 have a confirmed link to a collective agreement that applies in Scotland. Of those 73:

- 23 were “listed” by the Certification Officer as registered in England;
- 8 were “listed” by the Certification Officer as registered in Scotland;
- 11 were “scheduled” by the Certification Officer as registered in England;
- 10 were “scheduled” and registered in Scotland (including 7 district Master Plumbers’ Associations); and
- 21 were omitted altogether from the Certification Officer’s list and schedule

Included in the 73 are some sectoral employer bodies that might not be seen as employer associations in the conventional sense, but which are responsible for negotiating terms and conditions across their sector (such as NHSScotland, PoliceScotland, the Scottish Fire and Rescue Service and the Scottish Prison Service).

Excluded from that group of 73 are several listed or scheduled employer organisations whose involvement in Scotland has not yet been confirmed (including any connection or otherwise to any collective agreement applicable in Scotland).

Recognition between employer associations and unions at sector level does not necessarily translate into identical union recognition arrangements at workplace level. Universities following the JNCHES agreement do not necessarily recognise all of that agreement’s signatory unions, for example.

## Reviewing the evidence

So, what is the evidence on levels of collective bargaining in Scotland, how do the different surveys compare, and what more can Payline add?

Whichever way the workforce is broken down, the proportion of employee jobs in ASHE covered by collective bargaining is generally higher than LFS estimates, except in the case of smaller workplaces (see below) and by industrial sector, where LFS suggests that bargaining coverage is higher than the ASHE figure in 6 out of 16 cases (corresponding LFS or ASHE figures are not available in two sectors, see Table 10 below).

### Public/private sector

Both surveys confirm much higher bargaining coverage in the public sector (72.8% to 83.7%) than in the private sector (20.8% to 26.5%) (see Table 3).

These results are particularly significant given that Scotland has the third highest proportion of workers employed in the public sector within the UK, so a big public sector goes hand in hand with a higher level of bargaining coverage overall.



**Table 3: Private and public sector bargaining coverage**

	LFS	ASHE
private sector employees/jobs	20.8%	26.5%
public sector employees/jobs	72.8%	83.7%

Public sector employment in Scotland accounts for 21.2% of employee employment compared with a UK average of 16.7%. Scotland is ahead of the North East of England (19.6%) but just behind Wales (21.4%) and further behind Northern Ireland (25.4%). Women are more likely to work in the public sector<sup>11</sup>, affecting bargaining coverage by gender (see below).

Payline contributes vital detail to these summary figures. It shows, for example, that private sector bargaining groups are more numerous but public sector bargaining groups are typically bigger. Agreements counted as part of the voluntary sector also tend to be on the small side. In the following figures, the mean average figures are skewed upwards compared with the median (middle of the range), due to the influence of a few very large agreements.

- Private sector: 426 agreements, median workforce 164, average 1,447, total 261,978
- Public sector: 140 agreements, median workforce 300, average 6,668, total 620,081
- Voluntary sector: 57 agreements, median workforce 178, average 413, total 11,163

### Occupation

LFS and ASHE both show the highest levels of bargaining coverage in professional occupations, 57.3% according to the LFS, 72.4% according to ASHE (see Table 4). These figures are not surprising given the extensive bargaining arrangements in sectors where professionals work (like health and education).

Figures for other occupations are more mixed, with the two different surveys picking up some unexplained differences. Bargaining coverage is high in ASHE for sales and customer service occupations (38.9%), for example, and low in LFS for skilled trades (19.7%). In every case, though, ASHE points to higher bargaining coverage.

**Table 4: Occupational bargaining coverage**

	LFS	ASHE
Managers, directors & senior officials	22.7%	32.7%
Professional occupations	57.3%	72.4%
Associate professional & technical	37.9%	52.0%
Administrative & secretarial	39.3%	48.4%
Skilled trades	19.7%	33.8%
Caring, leisure & other service	40.9%	62.9%
Sales & customer service	26.1%	38.9%
Process, plant & machinery	38.8%	47.4%
Elementary occupations	27.5%	40.4%

### Workplace size

ASHE bucks the trend when it comes to smaller workplaces, suggesting that bargaining coverage is much lower than indicated by LFS (see Table 5). However, the surveys agree that the chance of being covered by a collective agreement increases in larger workplaces. Why householders in small

<sup>11</sup> <https://www.closesthegap.org.uk/content/gap-statistics/>

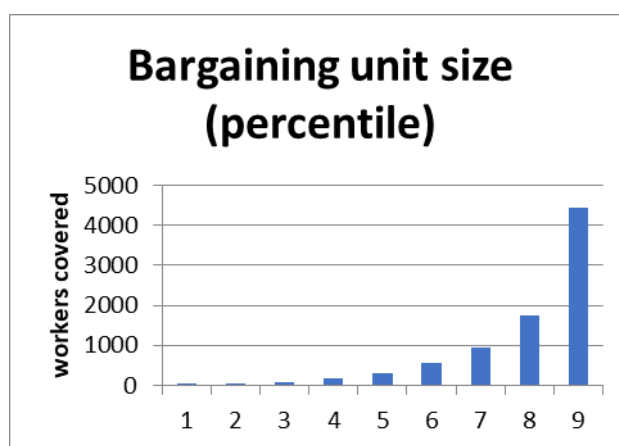


workplaces are more likely to say they are covered by collective bargaining than the employers who provide responses to the ASHE survey needs further investigation.

**Table 5: Bargaining coverage by workplace size**

LFS	ASHE
Less than 50 employees: 25.3% covered	1-9 workers: 15.2% of jobs covered
	10-49 workers: 14.6% of jobs covered
50 or more employees: 50.3% covered	50-249 workers: 21.5% of jobs covered
	250 or more workers: 65.6% of jobs covered

LFS and ASHE do not tell us about the size of bargaining units in Scotland but Payline shows there are a lot of very small groups of workers covered, even though few really big agreements cover large parts of the workforce. The chart below shows how, at most percentile points, well under a thousand workers are covered in each case (see below).



Source: Based on LRD Payline data

The largest collective agreement on Payline is the Scottish Joint Council for Local Authority Employees (SJC). Based on data gathered from almost all of Scotland's 32 councils, and taking into account its application in arms-length external organisations (ALEOs), we put its coverage at around 160,000 (see page 76).

At the other end of the spectrum there are bargaining units covering a dozen workers or less, from specialist groups of airport and CalMac staff, to Royal Mail catering; a local highways contract; a charity offering safe accommodation for young women; and staff working for Clydeplan (the Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee) who are covered by SJC terms and conditions.

### Gender

Both LFS and ASHE indicate that women in Scotland are more likely than men to be covered by collective bargaining (see Table 6). They are more likely to work in the public sector where bargaining coverage is higher (see above).

National or industry bargaining (including where supplemented by lower-level bargaining) plays a bigger role for women than men, according to ASHE, affecting 41.5% of female jobs compared with 25.2% of male jobs.

**Table 6: Bargaining coverage by gender**

	<b>LFS</b>	<b>ASHE (all)</b>	<b>National or industry (including if supplemented by lower-level bargaining)</b>	<b>Sub-national</b>	<b>Organisational</b>	<b>Workplace</b>
Female	41.50%	57.80%	41.50%	0.60%	11.30%	4.30%
Male	34.60%	44.60%	25.20%	n/a	12.50%	6.70%

**Part-time jobs**

Collective bargaining in Scotland is as likely to cover part-time employees/jobs as it is to cover full-timers, both surveys show (see Table 7). This may relate to the gender breakdown among part-time workers (women, who are likely to work in the public sector where bargaining coverage is higher, account for three quarters of part-time workers in Scotland<sup>12</sup>).

**Table 7: Bargaining coverage by part-time and full-time status**

	<b>LFS</b>	<b>ASHE (all)</b>	<b>National or industry (including if supplemented by lower-level bargaining)</b>	<b>Sub-national</b>	<b>Organisational</b>	<b>Workplace</b>
Part-time	36.00%	52.90%	38.10%	0.50%	10.00%	4.20%
Full-time	38.90%	51.10%	32.90%	0.40%	12.70%	6.00%

**Age**

LFS and ASHE diverge over collective bargaining coverage among young workers, particularly in the 16-24 age-group and – within that – particularly among part-timers (see Table 8). A sub-set of that age group, apprentices in construction trades, certainly do have their pay regulated collectively (for example, through the Scottish Building Apprenticeship & Training Council, SBATC, not to mention local authority agreements) so this would bear further examination. This could be an important field for further investigation.

**Table 8: Bargaining coverage by age band**

	<b>LFS (all)</b>	<b>part-time</b>	<b>full-time</b>	<b>ASHE</b>
16-24	18.80%	10.50%	24.70%	37.20%
25-34	34.30%	27.60%	35.70%	46.10%
35-49	41.60%	46.10%	40.20%	53.50%
50 plus	43.80%	43.40%	43.90%	58.30%

These figures might be taken to suggest that young workers in part-time or zero hours jobs are least aware of any relevant collective agreement applying to them; or are more likely to be working in jobs not registered on PAYE schemes and not surveyed by ASHE. On the other hand, the lower sample size of LFS could be a factor (confidence intervals have not been included in this report).

<sup>12</sup> <https://www.closesthegap.org.uk/content/gap-statistics/>

### Self-employment and freelance work

Most of the evidence quoted so far concerns employees and employee jobs but there are over 281,000 self-employed workforce jobs in Scotland (see Table 9 below). A series of collective agreements and other collective institutions play a potentially important role in shaping the terms and conditions under which self-employed workers work.

The greatest number of self-employed workers are in construction (44,479); professional, scientific and technical activities (39,145); human health and social work activities (26,674); and other services (26,143). In construction, the self-employed are proportionately very important, accounting for 27% of the Scotland workforce; also in agriculture, forestry and fishing (21.3%); arts, entertainment and recreation (18.0%), mining and quarrying (13.8%) and transportation and storage (12.0%).

**Table 9: Self-employment in Scotland (March 2019)**

	self-employed	% of self-employed	total workforce	% of total workforce
A : Agriculture, forestry and fishing	12,340	4.4	58,035	21.3
B : Mining and quarrying	4,480	1.6	32,472	13.8
C : Manufacturing	11,096	3.9	192,657	5.8
D : Electricity, gas, steam and air conditioning supply	0	0.0	19,025	0.0
E : Water supply; sewerage, waste and remediation	0	0.0	16,854	0.0
F : Construction	44,479	15.8	164,643	27.0
G : Wholesale, retail and repair	18,459	6.6	355,662	5.2
H : Transportation and storage	15,602	5.5	129,596	12.0
I : Accommodation and food service activities	15,618	5.6	214,985	7.3
J : Information and communication	6,806	2.4	98,647	6.9
K : Financial and insurance activities	1,586	0.6	88,197	1.8
L : Real estate activities	3,261	1.2	38,778	8.4
M : Professional, scientific and technical activities	39,145	13.9	219,992	17.8
N : Administrative and support service activities	19,170	6.8	207,407	9.2
O : Public administration, defence, compulsory social security	3,410	1.2	167,430	2.0
P : Education	15,043	5.4	213,578	7.0
Q : Human health and social work activities	26,674	9.5	408,356	6.5
R : Arts, entertainment and recreation	17,103	6.1	95,194	18.0
S : Other service activities	26,143	9.3	87,133	30.0

Source: NOMIS

The widespread use of “bogus” self-employed or non-directly employed workers in construction is increasingly being questioned, for example in a recent report published by the Joint Industry Board for electrical contracting, with support from both the employer and union sides . Some of Scotland’s construction employers seem to share a preference for direct employment (see Scottish Decorators’ Federation page 59) and that is something that could be built on, to promote collective bargaining.

ONS statistics on union membership in the UK show that there are plenty of self-employed union members, and some of the sectoral agreements recorded on Payline specifically cover freelance and self-employed workers, especially in the creative industries (including the arts, entertainment and recreation sector) and in information and communication.

There are unions with self-employed members in the health sector (such as the Royal College of Podiatry, RCPod) and in the creative industries. The National Union of Journalists (NUJ) says one-third of the UK’s creative workforce are self-employed, and these workers have also been represented in the crisis by BECTU (part of Prospect), Equity, the Musicians’ Union, the Scottish

Artists Union, the Scottish Society of Playwrights (which distributed hardship grants) and the Writers Guild of Great Britain (which stepped up its campaigning work).

The needs of freelance and self-employed workers have been recognised more clearly during the pandemic, with campaign group Excluded UK estimating that up to 3.1 million “fell through the cracks” between the Coronavirus Job Retention Scheme (CJRS) and Self Employed Income Support Scheme (SEISS).

At an early stage in the crisis, Community lobbied for the Scottish Government to provide hardship funding for the newly self-employed. More recently a Scottish Parliament committee considered the impact of Covid on the creative sector, drawing on the unions’ experience. This work could be followed up in order to further promote collective bargaining in the creative sector, contributing to National Performance Framework objectives.

Alongside these trade unions, sectors with widespread freelance working throw up collective organisations that do not see themselves as unions but represent members’ interests in ways that unions also do (such as pursuing payment for gigs or recordings).

The Production Services Association (PSA) with its slogan “Mutual support. Collective voice. Individual benefits” is one example. The PSA, which has members in Scotland, describes itself as the biggest trade association for live production people with over 2,300 members, individuals and companies that provide technical services to live events. It has lobbied around opening up the industry and its welfare and benevolent fund *Stagehand* raised a lot of support for members of the workforce during the pandemic.

The Association of Independent Professionals and the Self-Employed (IPSE) describes Scotland as a powerhouse of self-employment, with many of its members traditionally working in the finance industry or the oil and gas sectors in Edinburgh, but now also in the video games sector. This could be a fruitful field for more work by the Scottish Government.

### **Industrial sector**

So far, comparing LFS and ASHE, a clear pattern seems to have emerged: employers are generally more likely to report that collective bargaining applies to employees in the ASHE survey, than employees themselves in the LFS survey. But that pattern breaks down at industry level where ASHE reports lower coverage than the Labour Force Survey in 6 out of 16 sectors.

Table 10 below includes the number of agreements and workers covered in agreements monitored by Payline. The workers covered total excludes agreements that follow or fall under a sectoral agreement, to avoid double counting (agreements of that kind may include a degree of local variation or two-tier bargaining but are essentially subsidiary to the relevant sectoral agreement).

The discrepancies between the two ONS surveys are not small. LFS bargaining coverage is more than double the ASHE figure in construction and accommodation and food services, almost twice as high in manufacturing, and - incredibly – between 4 and 8 times higher in administration services, professional, scientific and technical services, and information and communication.

LFS and ASHE statistics have been supplemented in Table 10 with information from Payline, although – for reasons explained elsewhere – the Payline figures are incomplete and STUC affiliates will no doubt be able to point to sectors where both the number of agreements and the number of workers covered fall short of what they know about their own collective agreements and coverage within Scotland.

**Table 10: Bargaining coverage by sector**

	LFS	ASHE	Payline agreements*	Workers covered**
Agriculture, forestry & fishing	25.2%	29.0%	3 (3)	68,257
Mining & quarrying	56.0%	n/a	8 (5)	1,638
Manufacturing	61.3%	33.9%	146 (129)	29,035
Gas & electricity	22.9%	72.0%	12 (12)	4,520
Water & sewage	24.1%	61.2%	10 (8)	4,570
Construction	56.4%	20.6%	101 (24)	85,000
Wholesale & retail	6.6%	30.1%	29 (29)	26,991
Transport & storage	10.5%	63.0%	136 (136)	26,208
Accommodation & food services	27.7%	11.1%	9 (9)	2,770
Information & communication	37.3%	4.6%	43 (43)	8,556
Finance	17.8%	48.5%	28 (28)	27,648
Real estate	11.7%	39.2%	16*** (13)	6,700
Professional, scientific & technical	67.5%	11.6%	21 (13)	402
Administration services	72.5%	16.7%	39 (34)	7,654
Public administration	51.9%	96.3%	102 (70)	241,850
Education	24.5%	91.9%	30 (10)	120,162
Health & social work	28.7%	75.6%	88 (51)	176,797
Art, culture & recreation	n/a	40.1%	50 (42)	7,841

\* all bargaining units including those that fall under or follow a sectoral agreement (in brackets, excluding those that fall under or follow a sectoral agreement)

\*\* excludes individual bargaining units that fall under or follow a sectoral agreement, but includes agreements where we don't yet have data on Scotland numbers covered (hence, an underestimate)

\*\*\* individual housing associations that follow the EVH agreement not all counted separately here

The three sets of figures are all compiled in very different ways. However, Table 10 flags up a number of issues that are very relevant to the objectives of this report, particularly as regards the Payline numbers:

- public administration, health, education, construction and agriculture stand out as having the biggest numbers covered thanks largely to the role played by sectoral agreements;
- in those cases we are looking at 3 big contingents of public sector workers plus a construction sector with extensive sectoral bargaining, and an agriculture and forestry sector (where the Scottish Agricultural Wages Board covers a larger number of permanent, seasonal and owner-occupier workers than either LFS or ASHE seem to account for);
- in sectors with little or no sectoral bargaining the number of agreements and the number excluding any that follow or fall under a sectoral agreement are the same or similar, reflecting stronger traditions of company-level or workplace-level bargaining; and
- in the Payline figures in the table, housing associations following the Employer in Voluntary Housing (EVH) agreement are in most cases not counted separately

Table 10 also underlines the extent to which the extended Payline data on coverage in Scotland was still a ‘work in progress’ but it also shows its value in offering some transparency to the LFS/ASHE “black box” figures. Part 3 of this report provides a more detailed sector-by-sector analysis of the information available.

### The “union premium”

The benefits of collective bargaining are often described as the union premium (alongside the benefit of having a voice in decisions at work). The UK Government’s Trade Union Statistics find, for example, that average hourly earnings for union members in 2019 were 10.3% higher for trade union members, at £16.43, compared with non-members at £14.89.

The premium was much bigger in the public sector (17.7%) than in the private sector (3.6%), suggesting that there are compositional factors at work (union members are more likely to have a degree or higher education qualification). In fact, a breakdown by industrial sector would show that in some industries the premium is negative. This would not be hard to appreciate in a sector like finance, for example, when unions may well tend to represent large numbers of lower-paid workers.

So, for this report we have taken a different approach, looking at the results of collective bargaining in two ways:

- what a selection of Scotland union agreements on Payline deliver in terms of pay, hours, annual leave and sick pay (examples are included in each sector in Part 3 of this report); and
- what changes have been achieved by unions in Scotland through the process of securing recognition (these examples are also included in Part 3 of this report).

### Pay, hours, holidays and sick pay

Collective agreements usually improve on statutory or voluntary minimum standards and may limit working time or compress pay differentials compared with earnings in their sector<sup>13</sup>. The following figures provide a yardstick for what might be achieved through collective bargaining, bringing statutory and voluntary standards together with data on hours of work and earnings from the Annual Survey of Hours and Earnings (ASHE).

- Statutory minimum wage (April 2020 rates): NLW £8.72ph, 21-24 £8.20ph, 18-20 £6.45
- Real Living Wage (pre-and post-November 2020 increase): £9.30-£9.50ph
- ASHE Full-time basic working week median FT paid basic hours worked: 37.4 hours
- ASHE Full-time hourly pay excluding overtime: lowest decile £9.30, median £15.50, top decile £28.92
- ASHE Full-time weekly basic pay: lowest decile £345.90, median £560.50, top decile £1,057.30
- Working Time Regulations minimum paid leave including bank holidays (5-day week): 28 days
- Statutory Sick Pay weekly (excluding waiting days): £95.85

These figures are reproduced sector by sector in Part 3 of this report along with examples from a range of collective agreements recorded on Payline.

---

<sup>13</sup><https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyindustry2digitsicashetable5>

Some negotiated pay rates start at or close to the statutory or voluntary minimum but provide progression routes within the lower half of the earnings spectrum. Others occupy the upper end of the earnings spectrum and of course the general earnings level varies by sector (based on ASHE data for Scotland on hourly pay excluding overtime and weekly basic pay for full-timers).

Lower and upper pay rates set by those agreements can either be close together (where they apply to a specific skill set, as in the Scottish Bakers Joint Industrial Council) or widely varied (where they span professional roles from entry-level to senior responsibilities).

Some of the highest negotiated pay rates are those at the top of the pay structure in agreements covering schoolteachers, higher education staff, offshore divers, CalMac chief stewards, offshore catering staff, bank/building society staff, police Chief Inspectors and film construction crew.

Job evaluation (preferably an equality-based scheme) may have been used in some cases to determine relative pay levels, something that union recognition and collective bargaining is likely to have contributed to. Listed below are some of the highlights from those examples, which include a mix of sector-level and employer-level agreements:

- **Annual leave beyond the statutory 28 days for those working a 5-day week:** this is a common negotiating achievement in union deals, providing up to 35 or 40 days (often linked to length of service) and, in one of the cases highlighted in Part 3, eligibility for a paid sabbatical.
- **Apprentice rates:** these are frequently part of a negotiated pay structure.
- **Basic full-time hours of work:** hours in ASHE range from 35 to 39 per week, among the agreements listed in Part 3 there are examples that have shorter or longer contractual working weeks, or match their sector median, suggesting that there is plenty of scope to negotiate around this topic.
- **Building on the statutory pay minimum:** Scottish Agricultural Wages Board (SAWB) rates start at the adult National Minimum Wage level but pay almost 15% more if the worker has specific qualifications.
- **Pay levels that are high/towards the upper end of the sector's earnings spectrum:** the Offshore Diving Industry agreement is a prime example and underlines the contribution that highly skilled work of that kind makes to the labour market, especially if well organised, regulated and safe.
- **Pay periods:** hourly, weekly, monthly, annual and even daily rates of pay can be found among these examples, another common negotiating topic (as when an employer is proposing to move from weekly to monthly pay – and may not have fully thought through the consequences).
- **Self-employed/freelance workers:** union negotiated agreements set minimum rates and even normal weekly hours in some sectors.
- **Sick pay:** SAWB pays more than Statutory Sick Pay (the minimum hourly rate plus any additional sum due on account of qualifications, for up to 13 weeks) but only if workers have been continuously employed by the same employer for at least 52 weeks. Some offshore catering staff have SSP topped up. However, at company level, sick pay at BAE Systems Maritime - Naval Ships, Glasgow (Scotstoun and Govan) starts at 15 days after 12 weeks' service but rises to 26 weeks full pay and 26 weeks half pay after 5 years. In the energy

sector, SGN pays the full basic rate for up to 15 weeks. In public sector agreements it is common for full and half sick pay (the latter plus SSP) to be payable for up to a year if necessary.

- **Skill differentials:** In addition to the SAWB example above, Scottish Bakers has a skilled premium rate worth 30p (almost 3.5%) while Tesco uses skill differentials to top up pay for retail staff who are on a base rate matching the Voluntary Living Wage rate.

### Results from voluntary recognition

Recognition is usually voluntary, and we have included below just two examples of what that can deliver.

Retail is part of Scotland's second biggest labour market sector after health and social work, where there could be an estimated 278,000 employees or jobs not covered by collective bargaining. USDAW's 2017 voluntary recognition agreement for retail staff and drivers at variety retailer B&M Bargains was a significant development (it already represented the company's distribution workers). The company, whose agreement covered 20,000 UK-wide, had stores in Edinburgh, Glasgow, Falkirk and Irvine.

As a recognised union, USDAW applauded B&M's decision to close its stores on New Year's Day<sup>14</sup> – something the union had been campaigning and petitioning for – and its agreement to pay an extra week's wages in recognition of staff working through the pandemic – but continued to call on B&M to "revisit" support provided for vulnerable staff.

Transport is another very important sector. The GMB's ground-breaking deal with delivery group Hermes is another significant example of a voluntary recognition agreement, this time benefitting self-employed couriers. It allowed them to choose to remain fully self-employed or switch to a guaranteed minimum level of pay and holiday pay.

Commenting on the deal, Mick Rix, GMB national officer, said they now had a real voice in their workplace: "Their continued self-employed status means that they are still able to maintain the flexibility that so many couriers treasure, fitting in their deliveries alongside their other, often family, commitments".

UK-wide there are around 20,000 couriers working for Hermes, with around 16,000 expected to be on the negotiated self-employed-plus agreement by the end of August. The workforce includes multi-round holders (contractors) who either have their own business or work for someone else working on the Hermes product. In Scotland there are around 1,500 couriers other than contractors.

### Results from statutory recognition

Since 1999 unions have been able to pursue recognition through a statutory process overseen by the Central Arbitration Committee (CAC). Although not particularly well regarded by trade unions, the scheme's use has increased recently with several cases in Scotland.

Independent trade unions can apply to the Central Arbitration Committee (CAC) to be recognised if they have at least 10% membership within a proposed bargaining unit, and evidence that a majority of employees are in favour of recognition. Employees will be balloted if the majority are not

---

<sup>14</sup> Called for under the Christmas Day and New Year's Day Trading (Scotland) Act 2007



members of the union or if the CAC believes that it would help maintain good relations (or if there are other concerns). At the end of the process the CAC will declare recognition if at least 40% vote for it, and the employer must then negotiate with the union on pay and hours and holiday entitlement.

Positive outcomes after recognition can be a tangible sign of the benefits of collective bargaining, although published CAC reports concern themselves mainly with the details of recognition and the bargaining unit.

Within Part 3 of this report, we have highlighted the following seven cases.

- Babcock Mission Critical Services – Offshore: recognition for Prospect in 2018 (see page 65)
- Cornerstone Community Care: recognition recovered by UNISON in 2020 (see page 85)
- Grant Westfield Ltd: recognition recovered by the GMB in 2019 (see page 52)
- Lloyds Pharmacy: recognition secured by the PDA union in 2021 (see page 62)
- Loganair Limited: recognition secured by Unite in 2020 (see page 66)
- Mears Facilities Management: recognition secured by GMB in 2020 (see page 75)
- Prestwick Aircraft Maintenance Limited: recognition for Prospect in 2020 (see page 67)

The procedure requires unions must demonstrate that they have at least 10% of the bargaining unit in membership and a majority of workers favour recognition – which the CAC can test by ordering a ballot. CAC reports show exactly how workers’ voice has been achieved in these cases, although not the subsequent benefits arising from recognition and collective bargaining, but we’ve supplemented that information to show some of the “before and after” effects of recognition.

At Prestwick Aircraft Maintenance Limited the hoped-for gains from recognition were pretty obvious: reversing pay imposed cuts at the start of the Covid-19 lockdown (when furlough was available) and the sacking of workers unwilling to accept a 50% reduction.

Sometimes voluntary arrangements are eventually agreed, as at Cornerstone Community Care. But even at the first stage of the process - the choice of bargaining unit - unions have an opportunity to show their grasp of the needs of the workforce is as good if not better than the employer’s. At Babcock Mission Critical Services – Offshore the CAC panel accepted the union’s case for including Managing Pilots in the bargaining group.

Recognition proved to be a means of addressing pay structure problems at Babcock Mission Critical Services – Offshore, as well as a feeling that union reps were being pulled in on “trumped up” performance charges. It was a route to the introduction of welcome Government support for training at Loganair, changing management’s mind about the benefits of collaborating with the workforce’s chosen union.

Where statutory recognition is imposed by the CAC, the bargaining agenda will be limited to pay, hours and holidays (although the parties can always agree to bargain on other matters). And if a method for conducting collective bargaining cannot be agreed, the CAC can impose a legally binding method, as it did in the case of the Mears Facilities Management schools contract. There, recognition followed a campaign to secure the Local Government Living Wage, and hopefully back-pay.

Only unions with a certificate of independence issued by the Certification Officer (CO) can apply for statutory recognition. Small employers (20 or fewer workers) are currently exempt, a loophole that has allowed some public sector employers in Scotland to establish un-unionised subsidiaries – something that the Scottish Government could usefully investigate.

### Extending collective bargaining

This report's objectives include compiling a complete list of all sectoral agreements in Scotland, analysing the effectiveness and coverage, and exploring scope for expansion by unions. The "gaps" identified in Part 1 of this report show there is plenty of scope for expansion.

### Transfer of undertakings (TUPE)

Collective bargaining can be extended to new employers when there is a transfer of undertakings. The Pharmacists Defence Association Union (PDAU) achieved recognition at Boots in 2019 but thanks to subsequent TUPE transfers, its recognition has now transferred to several hospital outpatient pharmacies, and some prisons (where Boots gave up their contracts at renewal).

However, the transfer of bargaining rights has been tempered by the *Collective Redundancies and Transfer of Undertaking Protection of Employment Amendment Regulations 2014* (CRTUPEAR): where there is a transfer of a contract of employment which incorporates provisions of collective agreements, rights, powers, duties and liabilities do not transfer if the transferee is not a participant in the collective bargaining for that provision.

It codified into UK legislation a decision by the European Court of Justice in *Alemo-Herron v Parkwood Leisure Limited* [2013] EUECJ C-426/11. It means there is now an increased incentive to get individual employers committed to voluntarily applying collective agreements that transferred employees were previously covered by.

Employers who opt into or are party to a sectoral agreement can be regarded as conforming (at least) to the agreed standards. Such agreements therefore provide a recognisable benchmark for any purpose in which workers' terms and conditions are important, such as procurement.

### Sectoral bargaining

Sectoral bargaining can clearly play a role in extending collective agreements to workers who might not otherwise be covered. Sectoral agreements (the terms "parent" and "multi-employer" agreements are used in Payline) set a standard – usually a minimum standard - that applies to workers employed or engaged by any employer conforming to the agreement, regardless of whether or not they are members of the trade union or unions that negotiated the agreement.

That kind of bargaining has been in long-term decline in the UK, although there are some notable exceptions, particularly in Scotland. It is also necessary to record that there is a preference for establishment-level or workplace-level bargaining not only on the side of private sector employers but in parts of the UK trade union movement<sup>15</sup>, but there are other mechanisms that can extend the scope of collective bargaining (see below).

---

<sup>15</sup> *Wage bargaining under the new European Economic Governance, Alternative strategies for inclusive growth*, ETUI 2015, Chapter 6, <https://www.etui.org/publications/books/wage-bargaining-under-the-new-european-economic-governance>

For this report we are defining sectoral bargaining as any unit of bargaining over wages and conditions of employment (including the engagement of freelance or self-employed workers) that covers more than one employer in a given industrial sector or covers employment for the bulk of workers in a particular sector.

Based on this definition, we would count the following as sectoral agreements:

- those negotiated between a trade union (or unions) and an employers' association (or associations) as exist in construction, local government, higher education, voluntary housing, offshore energy, the creative industries, and – much less commonly – in manufacturing;
- tripartite sectoral agreements where there is or has also been some involvement of the Scottish Government, as in schools and further education;
- sectoral negotiations that take place on a statutory basis, as with the Scottish Agricultural Wages Board; and
- sectoral negotiations linked to Pay Review Body recommendations, where terms and conditions are ultimately set by Government, taking consultation and negotiation with trade unions into account – as mentioned above these play much less of a role in Scotland than south of the border.

So how widespread is sectoral bargaining in Scotland? ASHE offers an answer by asking employers to describe “what type of agreement was made?” Data from the 2019 ASHE survey suggests that the pay of 34% of employee jobs in Scotland (around 820,000 out of 1.235 million) was wholly or partly determined by a national or industry agreement, a massive role for what sounds like sectoral bargaining.

- a national or industry agreement: 30.4%, equivalent to 727,472 jobs
- a sub-national agreement: 0.4%, equivalent to 9,572 jobs
- a national or industry agreement supplemented by sub-national, organisational or workplace agreement: 3.5%, equivalent to 83,755 jobs
- an organisational agreement: 11.9%, equivalent to 284,767 jobs
- a workplace agreement: 5.4%, equivalent to 129,222 jobs

When ASHE figures are broken down there are big sector-by-sector differences. The extent of bargaining at national/industry level ranges widely from 2% of jobs in wholesale, retail and repair (overall ASHE bargaining coverage 30.1%) to 87% in education (overall ASHE figure 91.9%).

Payline confirms the significance of surviving sectoral bargaining in Scotland, identifying over 70 sectoral agreements that are believed to cover at least some workers in Scotland (see Table 11 below).

**Table 11: Sectoral agreements and numbers covered in Scotland where known**

ABO Casual Concert/Freelance Orchestral Agreement	162	PACT Film	n/a
Agriculture (Scotland)	67100	PACT Supporting Artist Agreement	n/a
APA Crew Rates	n/a*	PACT TV (Equity)	n/a*
Building & Allied Trades (BATJIC)	2500	Papermaking	n/a
Caterers Offshore Trade Association (COTA)	2750	Plumbing (Scotland & Northern Ireland) JIB	4200
Cinema Film Agreement (PACT)	n/a*	Police (Scotland) - Federated Ranks	17000
Clothing Industry	n/a	Police Staff (Scotland)	5500
Construction Industry Joint Council (CIJC)	50000	Racing Staff NJC	250
Corrugated Packaging Industry	n/a	Refractory Users Federation	n/a
Demolition Contracting	n/a	Scottish Artists*	n/a
Electrical Contracting (Scotland) SJIB	10200	Scottish Bakers	1200
Employers in Voluntary Housing (EVH)	2500	Scottish Building Apprenticeship & Training Council (SBATC)	n/a
Energy Services Agreement (ESA) Offshore Contractors	5000	Scottish Fire & Rescue Service (Firefighters)	6700
Engineering Construction (NAECI) NJC	1600	Scottish Fire & Rescue Service (Support Staff)	800
Environmental Engineering NJC	n/a	Scottish Painting Council (Scottish Decorators' Federation)	4500
Film Construction Crews (PACT)	n/a*	Session Musicians (BPI/MU)	n/a*
Further Education Scotland - Lecturers	5520	Session Musicians (Commercial Radio Stations/MU)	n/a*
Graphic Enterprise Scotland	5000	Session Musicians (IPA/MU)	n/a*
Heating Ventilating and Domestic Engineering JCC	n/a	Session Musicians (PACT/MU)	n/a*
Higher Education JNCHES	48000	Steeplejack & Lightning Protection Engineering Industry	n/a
Independent Theatre Council (ITC) Administrators	n/a*	Teaching (Schools) Scotland	60000
Independent Theatre Council (ITC) Equity	n/a*	Thermal Insulation Contractors Association (TICA)	n/a
Independent Theatre Council (ITC) Writers	n/a*	TV Directors (PACT)	n/a*
ITV/STV Scriptwriters	n/a*	UK Drilling Contractors Association (UKDCA)	500
Knitting Industries NJIC	150	UK Theatre (Bectu)	n/a*
Leather Producing Industry	500	UK Theatre (Choreographers)	n/a*
Lighting Technicians (Major Motion Pictures) PACT	n/a*	UK Theatre (Commercial Theatre) Equity	n/a*
Lighting Technicians (TV Drama) PACT	n/a*	UK Theatre (Designers)	n/a*
Local Authorities (craft) (Scotland)	3112	UK Theatre (Directors)	n/a*
Local Authorities (Scotland)	160000	UK Theatre (Musicians)	22
Mastic Asphalt NJC	n/a	UK Theatre (Subsidised Theatre) Equity	n/a*
Monumental Masonry	n/a	UK Theatre (Writers)	n/a*
NHS Scotland - Agenda for Change	154000	UK Theatre and West End Managers	n/a*
NHS Scotland – Doctors and Dentists	15800	UK Theatre/SOLT (Ballet)	n/a*
Offshore Contractors Association (OCA)	7000	UK Theatre/SOLT (Opera & Ballet Stage Management)	n/a*
Offshore Diving Industry Agreement (ODIA)	900	UK Theatre/SOLT (Opera)	n/a*
Organ Building JIC (IBO)	n/a		

\* Calculating numbers covered by the very wide range of agreements that apply in the creative industries has proved to be very difficult. In this instance a total of the Scotland membership of BECTU (part of Prospect), Equity, MU, NUJ, the Scottish Artists Union, the Scottish Society of Playwrights and the WGGB could be taken as a surrogate for at least part of the workforce covered. The Scottish Artists Union, for example, sets its own “typical rates of pay which members may wish to use as a guide when negotiating payment for their work”. It represents over 1200 visual artists, applied artists and makers.

A substantial proportion of these are in the creative industries where obtaining an estimate of numbers covered (which would include self-employed/freelance workers) has proved to be very difficult.

Their inclusion has the benefit of showing that sectoral bargaining can cover small, scattered groups of workers and is not the preserve of local government, health and education, construction, offshore energy, specific manufacturing sectors or housing.

Where numbers-covered data and estimates are available they point to more than 625,000 workers being covered in this way, very much confirming the evidence from ASHE. These are important results as they suggest that – within the UK - Scotland still has comparatively strong institutions of sectoral collective bargaining.

Where there is an estimate for coverage, numbers can be hugely varied. Altogether, for example, horse racing is said to sustain 3,400 full-time equivalent jobs in Scotland, but within that broad figure, the industry in Scotland was said to include 16 jockeys, 24 trainers, 250 other stable staff and a further 110 full-time equivalent jobs through secondary economic activity. For this report we have therefore used the figure of 250 to represent the coverage of the Racing Staff NJC agreement.

Sectoral bargaining continues to be the dominant form of bargaining in construction, and here are just two instances which underline the significance of that:

- when the Federation of Master Builders was asked to estimate coverage of its Building and Allied Trades (BATJIC) collective agreement with Unite, for this report, its calculation was based on having 350 members in Scotland, most of them very small companies.
- when the Central Arbitration Committee discussed the GMB's application for statutory recognition at Grant Westfield Ltd (see page 52), it was noted that relations had previously existed with the union because of its role in the Construction Industry Joint Council (CIJC) agreement.

### More sectoral bargaining?

So, how easy and beneficial would it be to extend collective bargaining by having more sectoral agreements covering a greater part of Scotland's workforce? Unions affiliated to the STUC may have different perspectives on it, based on their own experience.

Scotland seems to have more vibrant sectoral bargaining traditions than England, as the following examples show:

- offshore collective agreements that – although they have seen employers leaving or threatening to leave in the recent past - have also seen existing employers re-affirm their membership, new employers join, or employers as a group have been willing to re-negotiate the agreement on a fresh basis;
- survival in industries where - in England – sectoral bargaining has been lost, for example the Scottish Bakers agreement;
- sectoral bargaining present in a sector that has no English equivalent – Employers in Voluntary Housing;
- surviving statutory bargaining – the Scottish Agricultural Wages Board, still in place although its England and Wales equivalent was scrapped (Wales has re-invented its board);
- new sectoral bargaining – a national agreement in further education established with the active support of the Scottish Government (in England, the long-established national

agreement is not well observed by college employers, to the extent that union bargaining efforts have re-focussed on college level deals);

- the prospect of a new national agreement for the social care sector which – if created – could expand bargaining coverage by up to 100,000, becoming Scotland’s third largest collective agreement; and
- Scotland-based employer associations willing to promote sectoral bargaining – the Scottish Decorators Federation attempted (unsuccessfully) to set up an equivalent in England.

Evidence in some of these cases suggests that a government willing to engage with and actively promote new collective bargaining arrangements can tip the scales.

Set against that, industries that have lost their sectoral bargaining arrangements in England have seen that extended to Scotland too (chemicals, engineering, and more recently, glass). In March 2021 the dispute at SAICA Packaging UK in Edinburgh and Milngavie concerned a company that up until now has followed the UK-wide sectoral agreement with the Confederation of Paper Industries (the outcome of that dispute was not known when this report was written).

Meanwhile, a recent study of the labour practices in the construction industry by researchers at the University of Strathclyde Business School<sup>16</sup> provided a troubling perspective on a part of the private sector where sectoral bargaining is still the norm. Their observations included:

- problems arising from unrealistic pricing to win contracts;
- the practices of overseas-owned companies (limiting employment opportunities and local sourcing, and undermine collective agreements);
- quality issues stemming from poor skills/trades accreditation and regulation;
- employment agencies who do not ensure appropriate checks on labour skills and accreditation;
- a greater shift towards subcontracting of labour, self-employment, agency work, insecure contracts;
- employment in small firms and self-employment contributing to a narrowing and fragmentation of skilled work;
- lower pay, income variation, perceived job insecurity, concerns over future employability, de-skilling;
- one of the lowest levels of union membership across the economy; and
- limited union influence over the way work is organised and in a minority of cases, no union presence on site.

Nearly all the respondents in the Strathclyde University research were members of a trade union or staff association, and a large majority were covered by a collective agreement covering pay and terms and conditions. Yet one third suggested their employers were not interested in constructive dialogue with unions.

---

<sup>16</sup> Facing the future constructively? The experience of work in the construction industry in Scotland. A report for the Scottish Trades Union Congress (STUC)2020. Patricia Findlay & Eli Dutton, Scottish Centre for Employment Research; Mairi Spowage Fraser of Allander Institute  
<https://innovatingworks.org.uk/dist/assets/Facing%20the%20future%20constructively.%20Report%20for%20S%20TUC.pdf>

Fragmentation in business ownership and responsibility emerged as a particular problem in the Strathclyde research: “A challenge for the industry is that even if a main contractor complies with the collective agreements the nature of the industry to subcontract out business can result in these firms evading the collective agreements”.

It recognised that there are a number of national agreements operating in the construction industry, and union officers indicated that these could be important in reducing exploitative practices. However, main contractors (even in the public sector) were not, according to these officers, insisting on adherence to these agreements.

Research previously carried out by the Labour Research Department as part of the Collectively Agreed Wages in Europe project (CAWIE) has encountered three other challenges to sectoral bargaining, although it also threw up positives too:

- unions who decide, after a history of sectoral bargaining, that they can get better deals at company level (as happened in the UK ceramic industry)
- unions who have found the rug pulled from under their feet when long-standing sectoral bargaining structures rested on an insufficient union membership base to allow them to survive
- unions whose bargaining strategy is geared towards building a strong membership base within individual companies and bargaining on the strengths of the position at that level

Part 3 of this report, which examines each sector in more detail, provides more information on existing sectoral bargaining arrangements.

### Extension

Where unionised employers externalise their workforce, either by contracting work out to private contractors or creating subsidiaries to carry out parts of their work, there is always the risk that existing collective agreements will be undermined.

However, through union organisation and with the support of procurement authorities it may be possible to extend existing collective agreements. Through Freedom of Information inquiries, we have established that:

- there are private contractors working for NHSScotland, like Serco at Forth Valley Royal Hospital, that apply Agenda for Change to large groups of their own employees - Serco's workforce in that instance amount to 800 (see Part 4)
- a majority of the Arms-length external organisations (ALEOs) created by Scotland's local authorities (see Part 4) apply the SJC agreement negotiated between COSLA and the GMB, UNISON and Unite. That can be underpinned through governance arrangements (the board at KA Leisure includes up to four directors appointed by North Ayrshire Council, an employee director, and up to four others appointed from, and representative of, the area);
- the Health and Social Care Partnerships/Integration Joint Boards through which so many local authority and NHS staff now work have not yet become employers in their own right, and their staff remain on local authority or NHS contracts.

### Supply chains

It is beyond the scope of this report to comment on the potential for using supply chains as a means to extend collective bargaining (Unite describes them as “the broken-up stages of one process”<sup>17</sup>). However, company and agreement-level information of the kind compiled in Payline and by individual unions provides a route into that topic that “black box” LFS and ASHE data cannot.

### Local Charters

In some local authority areas, (like Dundee and South Lanarkshire) unions have come to an understanding with employers that secure employment and collective bargaining should be promoted locally.

The South Lanarkshire Construction Charter<sup>18</sup> recognises the role of trade unions in creating a safe and productive worksite and developing good industrial relations. Within the context of a contract let, contractors are expected to:

- employ workers under recognised industry collective agreements as set out in SJIB, SNIJB, BESA, CIJC, NAECI and TICA or other EU equivalent;
- promote the benefits of belonging to a recognised Trade Union;
- recognise on-site Shop Stewards as having an important role to play in achieving and promoting good industrial relations;
- ensure that the trade union has input into the development of Health and Safety policy (to ensure members’ priorities are reflected);
- actively promote the election of Health and Safety representatives and support their role in helping to ensure a safe site;
- provide equality and opportunity for all; and
- be able to certify that they have not engaged in the practice of blacklisting workers for any reason

### Other supportive infrastructure

There are a range of other supportive infrastructures that play an important role in Scotland. The promotion of Fair Work principles through the work of the Fair Work Convention and the idea of applying that through public procurement will be very familiar to the STUC. A number of employers responding to FOI inquiries for this report indicated how far they have been able to require contractors to demonstrate those principles (although the responses were mixed).

### Information gaps

The extension of collective bargaining would be assisted by having more comprehensive information available. Some European states obtain that information by sample surveys and registers (see Part 4), an approach that might be worth following up by the Scottish Government.

---

<sup>17</sup> A collective bargaining strategy for trade, Unite research department

<sup>18</sup>

[https://www.southlanarkshire.gov.uk/info/200295/selling\\_to\\_the\\_council/1073/procurement\\_and\\_the\\_council/3#:~:text=Construction%20Charter%20As%20a%20Local%20Authority%20we%20either,Employment%E2%80%9D%20on%20all%20construction%20projects%20which%20we%20procure](https://www.southlanarkshire.gov.uk/info/200295/selling_to_the_council/1073/procurement_and_the_council/3#:~:text=Construction%20Charter%20As%20a%20Local%20Authority%20we%20either,Employment%E2%80%9D%20on%20all%20construction%20projects%20which%20we%20procure)



Requiring employers covered by the Freedom of Information Act (FOISA) to routinely publish information about collective agreements covering their workforces (without waiting to be asked) would help, and there may be more the Assistant Certification Officer (Scotland) could be persuaded or helped to do.

Finally, it may be worth exploring whether the Fair Work Framework could be used to encourage:

- voluntary reporting by employers of their bargaining arrangements;
- empowering individual workers and their representatives to disclose bargaining and contractual arrangements without fear of detriment; and
- allowing access by trade union representatives to the workplace, with or without recognition.

## Conclusions

With the support of the STUC and the Scottish Government this project has provided an unprecedented opportunity to extend and adapt LRD's Payline database so that it can offer more comprehensive transparency of the kind that LFS and ASHE are unable to provide.

Although it is still an on-going process, with more information coming in as this report was completed, the help received from union officers and reps, employer associations and freedom of information staff in the midst of the Covid-19 pandemic has been amazing.

It confirmed something that was already apparent, which is that Scotland has a distinctive approach and culture when it comes to collective bargaining. While it can encompass partnership and the pursuit of common objectives with employers, the various disputes mentioned in the introduction show that the robust defence of members' interests by recognised, independent trade unions is also an integral part of the equation.

The inclusion of sectoral bargaining in the project's objectives was an opportunity to explore the activity of employers' associations and to pull together a lot of new information which has been included in Part 3 of this report and in Payline (where it is accessible to the STUC and subscribing trade unions).

Rather than focus on the work of the Fair Work Convention, which is very pertinent, the report spends time on the role of the Certification Officer and on the limitations of the currently-available data compiled by the Office for National Statistics (although we are particularly grateful for the help of staff at the Department for Business, Energy and Industrial Strategy (BEIS) who provided most of the LFS and ASHE figures quoted in this report).

It was clear from the outset that the Scottish Government's willingness to consider collective bargaining coverage and employee voice as a yardstick for social progress opens the door to wider dialogue and awareness about the place of collective bargaining in Scottish society.

## Recommendations

The following ideas, emerging from this report, could help the STUC's objective of further extending collective bargaining in Scotland (these recommendations are reproduced at the start of this report).

### Scottish Government

- A. **National Performance Framework:** in conjunction with the STUC, the Scottish Government may wish to review options for improving its measure of employee voice in the National Performance Framework; while this should continue to be based firmly on collective bargaining, finding a way to supplement LFS data on bargaining coverage with corresponding ASHE data and LFS data on union presence and membership density could have benefits.
- B. **Data:** the Scottish Government should explore statutory options for collecting and publishing new forms of data on collective bargaining, perhaps by drawing on European experience summarised at the end of this report (for example, in Spain). This will be particularly important if the intention is to move towards more sectoral bargaining.
- C. **Disclosure:** private businesses including charities could be encouraged to include a statement on the presence/coverage of collective bargaining arrangements (or their absence) in a standardised format as part of their annual accounts. Although that would probably have to be voluntary, successes like the Real Living Wage or the Two Ticks disability scheme suggest that even voluntary initiatives can be fruitful.
- D. **FOISA:** Freedom of Information legislation could be used (or extended) to secure routine annual statements from in-scope employers about their collective bargaining and the workforce covered by it, along the lines of gender pay gap reporting.
- E. **Certification Officer:** the CO, which employs eight staff in London but only one part-time Assistant Certification Officer (Scotland) in Edinburgh, could be encouraged and supported by the Scottish Government, to provide more comprehensive and reliable information about employer associations and unions operating in Scotland, including information about their Scotland membership and (in brief) how they fulfil their employment-relations purposes. As the CO is a UK-wide body, a novel or partnership-type approach might be required.
- F. **Employer associations:** with the Cardiff University framework and the details in Part 3 of this report in mind, employer associations that choose not to “negotiate” could be asked to confirm their status and explain their thinking, as a basis for starting a dialogue.
- G. **Sectoral initiatives:** taking its record in further education and social care as a starting point, the Government could seek to engage on a tripartite basis with private sector employer associations or groupings, to see if there is more that can be done to refresh and extend collective bargaining around minimum standards for their sectors. Given the large number of its workers who are not yet covered by collective bargaining, accommodation and food services could be a test case for later work in wholesale and retail; professional, scientific and technical services; administration services; and manufacturing. Data on occupational coverage, alongside industrial sector coverage, could help in profiling these sectors.
- H. **Self-employment:** the developing campaign for more direct employment and better training in the construction sector, which appears to have support from employer associations and trade unions, could be the signal for new Government initiatives in that sector.
- I. **Promotion of collective bargaining:** there is a job to be done in raising the profile and public appreciation of collective bargaining, perhaps taking inspiration from the campaign around statutory pension auto-enrolment.
- J. **Equality:** the equality benefits that flow from collective bargaining should be promoted, perhaps in conjunction with equality rights bodies, noting that the public sector in particular has helped to deliver higher levels of bargaining coverage amongst women and part-time workers.

- K. **Extension:** successes in the use of public procurement to extend collective bargaining to private contractors, and local “charters” also working to achieve that end, could be monitored and reported, perhaps through a “bargaining watch” angle within the Fair Work Convention’s existing activity.
- L. **Young workers:** specific projects to explore the conflicting data on coverage among young workers could be undertaken or commissioned, as the basis for a campaign to promote awareness of collective representation and collective bargaining among young people.
- M. **Small businesses:** further research into the conflicting data on bargaining coverage in small businesses could feed into a re-assessment of small-business exemptions (for example, on consultation or union recognition) and other aspects of the SME labour market.
- N. **‘Real’ campaigns:** building on successes for the Real Living Wage, and the developing Living Hours campaign, there may be scope to develop other benchmarks such as ‘Real Sick Pay’, ‘Real Time Off’ or ‘Real Flexible Working’, complementing efforts to promote more collective bargaining.

#### *STUC and unions*

- O. **Sectoral agenda:** with the move towards a more sectoral approach in mind, the STUC could encourage dialogue between its affiliated unions, on a sector by sector basis, towards a better understanding and an agreed perspective on how sector-level bargaining can be developed further in Scotland without compromising the unions’ focus on workplace and establishment-level organisation and strength.
- P. **Charters:** unions that have already used sectoral initiatives such as Unite’s construction charter and Fair Hospitality charter, UNISON’s ethical care charter, and the BFAWU’s fast food campaign could be asked to provide a report-back on the challenges they have faced and successes achieved.
- Q. **Experience:** individual unions who already have experience of sectoral bargaining could be encouraged to share their own ‘warts and all’ account of how it works in practice. That should encompass “positives” (such as the offshore and further education sectors, and longer-standing arrangements in housing) while learning lessons from where sectoral arrangements have been lost or abandoned (such as chemicals, road transport, or retail).
- R. **New unions:** organising successes in challenging sectors for some of the small, “new”, non-STUC unions could be reviewed to see if there are lessons for the STUC and affiliates.
- S. **PRBs:** unions in sectors that – in England – come under Pay Review Bodies (primarily health, schooling and justice) could be asked to share their experience of their parallel and alternative bargaining arrangements as they exist in Scotland.
- T. **Self-employed:** the STUC, led perhaps by its creative-sector unions, should develop a dialogue with other organisations representing self-employed workers, to help identify new policy initiatives and priorities that the Scottish Government can take forwards.
- U. **Labour law:** in readiness for any further devolution of powers the STUC could commission or seek support for a review of options to strengthen employment law relevant to collective bargaining (such as TULR(C)A; statutory recognition; and statutory consultation), along the lines of the *Manifesto for Labour Law* launched in 2016 by the Institute of Employment Rights. It should also look at empowering individual workers and their representatives to disclose bargaining and contractual arrangements without fear of detriment; and to allow workplace access for union officials.

- V. **Data:** STUC affiliates could be encouraged to review the information that has so far been assembled on LRD Payline about their own agreements (as well as their experience of using commercial data such as the Fame database to support their organising work in Scotland) in preparation for a further round of pressure on the Scottish Government to “up its game” on collective bargaining and employee voice.

## Part 3: Sector profiles

Part 3 of this report looks in more detail at the major industrial sectors and the collective agreements that apply within them, including more named examples from Payline, expanding on the overall statistics presented in Part 2. Most of the information included here was understood to be valid as at the end of March 2021.

Payline data included in this section of the report helps to confirm the extent of collective bargaining but, as elsewhere in this report, it is incomplete and the actual level of coverage would be higher with more information received.

Also included here are statistics on earnings levels in Scotland from the Annual Survey of Hours and Earnings 2020 (ASHE). Where these are marked with an asterisk, it indicates that they are less reliable statistically than the other figures.

Where higher earnings levels are represented by a percentile, upper quartile or quintile it means that a higher figure (such as the upper decile, the top 10% of earnings) was simply not available.

### Agriculture, forestry and fishing

#### *Sector profile*

- Industry group A, SIC 01 to 03
- Employee workforce jobs 37,293
- LFS bargaining coverage 25.2%, equivalent to around 9,000 employees
- LFS union presence 45.3%, equivalent to over 16,000 employees
- ASHE bargaining coverage 29.0%, equivalent to over 10,000 jobs
- ASHE Median full-time paid basic hours worked: 40.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £8.72, median £11.39\*, top quartile £15.29\*
- ASHE Full-time weekly basic pay: lowest decile £326.90\*, median £477.90\*, top quartile £631.70\*
- Payline 3 agreements, more than 68,300 covered

#### *Commentary*

ASHE suggests that 29% of jobs in the sector are covered by collective bargaining, while LFS puts it at 25.2%. On that basis between 9,000 and 10,000 are covered in a sector providing around 37,000 employee jobs. But that seems like an under-estimate, taking results from the Scottish Agricultural census into account.

#### *Sectoral agreements*

The Scottish Agricultural Wages Board (SAWB) is the sector's sole sector-level agreement – one with statutory underpinning - but it alone appears to cover twice the number of employees/jobs suggested by LFS and ASHE statistics.

- **About:** The SAWB is a Non-Departmental Public Body set up under the Agricultural Wages (Scotland) Act 1949. Its Orders are set on the basis of negotiation. SAWB meets twice a year to decide the minimum wages of Scottish agricultural workers and to set conditions for holiday and sick pay. The Scottish Government confirmed, after a review in 2015<sup>19</sup>, that the board would be retained as its abolition would drive down wages.

---

<sup>19</sup> <https://www.gov.scot/publications/consultation-review-role-scottish-agricultural-wages-board-findings-analysis-consultation-responses/pages/6/>

- **Parties:** NFU Scotland (which has 8,733 members and 40 regional officers) nominates 5 employer representatives (alongside one from Scottish Land & Estates/the Scottish Rural Property and Business Association) to negotiate with representatives from Unite the Union, under an independent chair.
- **Coverage:** Wages Orders apply to all workers in agriculture and horticulture (i.e. market gardens, gardens and nursery grounds, but not private or ornamental gardens from which none or only a small amount of the produce is sold), and also to foresters. According to the Scottish agricultural census, in 2019 there were 20,655 regular full-time and part-time staff and 8,580 casual and seasonal staff (a total of 29,235 employees). However, the majority of the workforce are owner-occupiers, people who own or rent the farm and work on it. In the census there were 37,831 working occupiers (25,306 holdings with a working occupier and 12,050 occupiers not working on the holding) giving a total agricultural workforce of 67,066 (an estimate which may not include some family members who also provide some labour).
- **Wage rates 01/04/2020:** the NLW rate of £8.72 as a minimum for all workers, regardless of age (apprentices £5.46); but if qualified in accordance with the Wages Order, after 26 weeks' employment they may be entitled to a further minimum of £1.29 per hour taking the total to £10.01.
- **Annual leave:** for a 5-day week, 28 days (the statutory minimum).
- **Sick pay:** after 52 weeks continuous service with the same employer, at least 13 weeks at their contracted number of weekly days, 3 waiting days (better than SSP for non-seasonal staff only).

#### *Other agreements*

The main employer-level agreement in the sector is at Forestry & Land Scotland (FLS). It has the same set of terms and conditions as its sister agency, Scottish Forestry (SF) and its three-tiered partnership agreement with PCS, Unite, Prospect, GMB and FDA covers cover both sets of staff (971 and 186 respectively). It shows how bargaining can be shared across two closely-aligned but separate employers.

The Tier 1 Negotiations Forum acts as a single bargaining unit for pay and conditions of service; Tier 2 arrangements are in place to deal with matters that may only affect one of the agencies, or where one of the agencies wants to take an individual approach; and Tier 3 arrangements are in place at a local branch TU level (any issues arising at this level are likely to be minor, but may be escalated for discussion at Tier 2, for example at a Staff Council meeting).

FLS contracts out a large number of services mainly in relation to the operational management of Scotland's national forests and land (e.g. harvesting and extraction of timber to roadside, haulage, ground preparation, tree planting, deer management, etc.) Those activities are carried out across Scotland's national forests and land and are concentrated in rural locations. The majority of suppliers are SME's including micro-businesses. In response to a FOI inquiry it said that, given their size and structure, the majority of its suppliers are limited to what Fair Work Practices they can implement.

## **Mining and quarrying**

### *Sector profile*

- Industry group B, SIC 05 to 09
- Employee workforce jobs 28,994
- LFS bargaining coverage 56.0%, equivalent to around 16,000 employees
- LFS union presence 67.2%, equivalent to over 19,000 employees

- ASHE bargaining coverage 29.0%, equivalent to over 10,000 jobs
- ASHE Median full-time paid basic hours worked: 37.5
- ASHE Full-time hourly pay excluding overtime: lowest quintile £15.03\*, median N/A, 6<sup>th</sup> decile £30.29\*
- ASHE Full-time weekly basic pay: lowest quintile £569.90\*, median N/A, 4<sup>th</sup> decile £736.50
- Payline 5 agreements (8 including subsidiary agreements), more than 1,600 covered

### *Commentary*

LFS suggests that 56% of employees in the sector are covered by collective bargaining, around 16,000 in an employed workforce of over 28,000. Coverage figures for the sector from ASHE have been suppressed by BEIS for statistical reasons.

### *Sectoral agreements*

The **Offshore Diving Industry Association** agreement covers a highly specialised and highly paid group of workers.

- **About:** Dating back to the early 1980s it governs minimum rates of pay, allowances and health/injury insurance for UK North Sea diving personnel: “Each company is an individual contractor with its own company structures, commercial and operating frameworks, and arrangements to source, engage, deploy and manage its personnel. The signatory company may not necessarily be ‘the employer’, but each recognises the importance of the ODIA as the ‘industry baseline’ for core pay and conditions for UK North Sea diving personnel”.
- **Parties:** On the employers’ side the agreement is negotiated by a committee of company signatories (managers from each of the 7 companies, supported by a paid Coordinator) which meets periodically and participates in the industry ODIA Stakeholder Group along with representatives of employers, the RMT and workforce groups. Signatory employers include Rever Offshore, Helix Well Ops, KD Marine, N-Sea, Subsea 7, TechnipFMC and Dutch company Boskalis which signed the ODIA agreement in October last year.
- **Coverage:** 1,200 of the sector’s jobs are covered (for Scotland we have estimated coverage at 900).
- **Wage rates 01/01/2020:** Total day rate from £347.40 per day (Assistant life support technician) through to £1,049.22 (Superintendent) in respect of whole or part days worked offshore.

The **UK Drilling Contractors Association** agreement now covers fewer employers than before but looks set to continue on a firmer footing.

- **About:** It is negotiated between Unite and the UK Drilling Contractors Association (UKDCA). It currently covers workers employed by 4 companies. Although 6 others pulled out in 2020 the union says it wants to see more companies with the same forward-looking approach joining the UKDCA.
- **Parties:** The 4 companies currently in the UKDCA agreement are Archer, Maersk, Transocean and Odfjell. Employers say they will continue to work closely with the union to strengthen their partnership, and ensure fair terms and conditions of employment for their workforces. Their last pay agreement, in late 2020, secured improved redundancy terms, which now include payment for training, while former employees will be emailed about any jobs coming up.
- **Coverage:** Although it was a changing total due to redundancies the 4 companies together employed 600 staff (we have estimated 500 for coverage in Scotland).

### *Other agreements*

Apart from these sector-level agreements, Payline includes instances of company level bargaining in petrochemicals (including **BP Sullom Voe Terminal**, whose agreements cover radius and accommodation allowances, shift allowance and bonuses) and in quarrying.

## Manufacturing

### *Sector profile*

- Industry group C, SIC 10 to 33
- Employee workforce jobs 180,047
- LFS bargaining coverage 61.3%, equivalent to around 110,000 employees
- LFS union presence 74.6%, equivalent to 134,000 employees
- ASHE bargaining coverage 33.9%, equivalent to 61,000 jobs
- ASHE Median full-time paid basic hours worked: 38.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £8.77, median £14.05, top decile £24.89\*
- ASHE Full-time weekly basic pay: lowest decile £334.80, median £520.30, top decile £910.50\*
- Payline 129 agreements (146 including subsidiary agreements), more than 29,000 covered

### *Commentary*

The manufacturing industry group is extremely diverse and covers a wide range of manufacturing SIC sectors: 10 (food), 11 (beverages), 12 (tobacco), 13 (textiles), 14 (wearing apparel), 15 (leather), 16 (wood), 17 (paper), 18 (printing), 19 (coke & petroleum), 20 (chemicals), 21 (pharma), 22 (rubber & plastics), 23 (non-metallic mineral products), 24 (basic metals), 25 (fabricated metal products), 26 (computer/electronic), 27 (electrical), 28 (machinery), 29 (motor vehicles), 30 (other transport), 31 (furniture), 32 (other manufacturing), and 33 (repair & installation of machinery).

Estimates of the coverage of collective bargaining vary widely between the two surveys but in this case it seems individuals in the LFS believe collective bargaining plays a more extensive role than employers completing the ASHE survey. Within the ASHE data for manufacturing, most bargaining takes place at organisational level (11.1%, over 19,000 jobs) or workplace level (18.1%, 32,000 jobs) while national bargaining sets pay for just 4.2% of jobs (around 7,500).

One reason for what may be a difference of perception could be the prevalence of union membership in the sector and that fact that some employer associations that used to bargain at a sector level with the trade unions no longer do so. The Glass and Glazing Federation (GGF, with over 400 member companies across Great Britain and Northern Ireland) is perhaps the most recent drop-out, having told the GMB in October 2017 that it was not in a position to open up any further talks regarding the disputed Green Book.

Just because sectoral bargaining is limited, it does not mean unions have limited influence – far from it. Scottish Engineering, which has around 350 members, maintains relationships with (primarily) GMB and Unite who represent a significant portion of its members' employees. They work collectively on areas of common interest, such as developing and supporting apprenticeships and the sector as well as more targeted campaigns on a local or national level.

Scottish Engineering describes itself as a "trade union for employers". Members range from household names like Scottish Power, Highland Spring and Alexander Dennis, to small-to-medium sized engineering and manufacturing companies (the bulk of its membership). It was formerly part of the Engineering Employers Federation (now MakeUK) but like a number of other employers' associations is now organised independently within Scotland.

The Chemical Industries Association (CIA) says its members and jobs are concentrated in the north of England and Scotland. Although sector level bargaining ended in the chemical and pharmaceutical industry many years ago, it is still "scheduled" by the Certification Officer, implying an employment



relations role. Its members and trade unions still work together on specific issues like mental health. The Malt Distillers Association Scotland has 26 members and is still “listed” by the CO but is not involved in collective bargaining (nor is the Scottish Distillers Association which now represents 21 distilleries).

The geographic concentration of industries may be another factor behind these Scotland statistics. British Furniture Manufacturers (BFM) Ltd negotiates a sector agreement with the GMB union but says none of its 149 GB members are believed to be in Scotland. It seems to be a similar picture for the British Footwear Association and its NJC agreement.

There are other employer associations representing manufacturing employers that do operate in Scotland but where there doesn’t seem to be a current collective agreement, despite their inclusion in the Certification Officer’s list or schedule. Dairy UK is one example, its Board including members from companies like Arla Foods (Lockerbie) and Lactalis McLelland (Stranraer) for which company-level agreements are included on Payline.

The Metal Packaging Manufacturers Association is another example, as is BFBA (listed by the CO as the National Association for Farriers, Blacksmiths and Agricultural Engineers, which has branches in Ayrshire and Dumfriesshire). Its objectives still include regulating relations between employers and workers (including in particular, wages and conditions of employment). These and other associations apparently un-connected to a current collective agreement could still be significant for any policy aimed at re-invigorating sectoral bargaining.

### *Sectoral agreements*

The Scottish Bakers agreement survives, whereas its counterpart south of the border disappeared many years ago.

- **About:** The agreement and employers’ association is open to the bakery sector in Scotland, whether a bakery business, supplier to the trade or a retired member.
- **Parties:** The Scottish Association of Master Bakers (SAMB) and USDAW.
- **Coverage:** The sector employs some 12,000 people in over 300 businesses of all sizes in communities across the country.
- **Wage rates 01/04/2020:** Bakery Operative (18 and over, dayshift) £8.75ph, with a higher skilled rate of £9.05, as the minimum rates for members of the association.
- **Annual leave:** qualifying service for an additional day’s leave was cut from 15 years to 10 years under the 2020 agreement.
- **Hours:** 39-hour week.

Knitting is a traditional industry in Scotland and a UK sectoral agreement still exists, the Knitting Industry NJIC, although its coverage now is limited.

- **About:** The UK Fashion and Textile Association (UKFT) represents businesses from spinning, weaving and knitting, right through to the catwalk and aftercare. It describes the National Agreement between UKFT and GMB, and its sister agreement between UKFT and Community (the Knitting Industry NJIC) as having been the cornerstone of industrial relations harmony in the industry for the best part of 100 years. UKFT says the agreements are widely used also in non-unionised companies and figure prominently in individual contracts of employment and statements of terms and conditions. The UKFT employers’ association (which represents manufacturing members “from central London to rural Scotland”) says the sector is enjoying a “renaissance”, responding to growing domestic demand.

- **Parties:** UKFT and Community.
- **Coverage:** Although Scotland has a long tradition of knitting and wool production, Community estimates that only 100 to 150 workers in Scotland are now covered by the agreement.

Leather is another traditional sector and still has its own UK-wide sectoral Leather Producing Industry agreement.

- **About:** LeatherUK says it represents the entire UK leather industry at a national and international level, using its membership of the British Association of Allied Trade Federations (BATF), the Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE), the European Tanners Association and collaboration with other trade associations, such as the UK Fashion and Textile Association (UKFT) and the British Footwear Association (BFA), “to broaden and add strength to our own representations in the UK and Europe”.
- **Parties:** The Leather Producers' Association/Leather UK negotiates pay and conditions on behalf of its 8 members with the Community trade union. Its members include the Scottish Leather Group Limited which describes itself as the largest manufacturer of leather in the United Kingdom, with four leather manufacturing subsidiaries and a technology company, all located in the West of Scotland (Andrew Muirhead & Son Limited, Bridge of Weir Leather Company Limited, W.J. & W. Lang Limited, NCT Leather Limited and SLG Technology Limited).
- **Coverage:** the LPA estimates that approximately 500 employees are covered by the LPA handbook in Scotland.

The Confederation of Paper Industries (CPI) negotiates two separate UK-wide sectoral agreements, Papermaking and Corrugated Packaging.

**About:** The Confederation of Paper Industries (CPI) represents the UK’s paper and board manufacturers and converters, corrugated packaging producers, makers of soft tissue papers, and collectors of paper for recycling.

**Parties:** The CPI is party to two sectoral agreements with the GMB and Unite, one covering corrugated packaging and one covering papermaking.

**Coverage:** Arjo Wiggins (Stoneywood Papermill) has been covered by a national agreement for Paper industry since as far back as 1970s; its agreement is understood to cover 250 workers in Aberdeen and approximately 45 in England. The CPI’s packaging company members in Scotland include DS Smith in Glasgow, Livingston and Lockerbie; SAICA with UK Pack and UK Natur locations in Scotland; and Smurfit Kappa with locations in Glasgow, Edinburgh, Dundee, Aberdeen and Inverness. Their relationship with the Corrugated Packaging agreement and the number of workers in Scotland covered by that agreement remained to be confirmed when this report was completed. SAICA served 6 months’ notice in February 2021 to leave the national agreement, leading in March to Industrial action at Edinburgh and Milngavie sites. However, action was suspended in April as Unite’s members were balloted on a revised offer and the union entered into national talks across the UK with SAICA to “reset our relationship and secure a new national agreement for our members across all the corrugated plants<sup>20</sup>.”

Sectoral bargaining in other parts of the UK through the British Printing Industry’s ‘general print’ agreement was a strong example of its kind, until the BPIF dropped out several years ago, but the Graphic Enterprise Scotland agreement still exists.

- **About:** Print Scotland argues that printing is an essential part of the economy, serving all parts of the business and consumer markets such as central and local government, financial services, retailing,

---

<sup>20</sup> <https://www.agilitypr.news/Strike-Action-Suspended-at-SAICA-Followi-18467>

distribution, travel and tourism and the manufacturing industry. It produces a wide and varied number of products ranging from newspapers, books and magazines, through to money, passports, signage and printed packaging. In other parts of the UK the British Printing Industries Federation (BPIF) pulled out of sector level bargaining some years ago (although it is still scheduled by the CO and is one of two members of britishprint.com which is still listed by the CO as an employer association). BPIF's 2019 UK Printing Facts and Figures says there are 395 printing companies in Scotland employing 5,389 with a turnover of £644m.

- **Parties:** Print Scotland says it represents the interests of its 45 members (which include South Lanarkshire Council) with Unite in the annual negotiation of the National Agreement in Scotland “where appropriate”. According to Unite the agreement has not been discussed in recent years but talks regarding its modernising are anticipated.
- **Coverage:** Before the Covid-19 outbreak, the association’s members employed between 4,000 and 6,000 people.

### *Other agreements*

Payline holds information on nearly 150 collective agreements in manufacturing firms and sectors - excluding workplaces that come under one of the sectoral agreements, of which there are several well-known firms in paper and packaging (a growth industry under lock-down).

The biggest group of agreements is in food and drink, but not always with the biggest of workforces. The biggest manufacturing numbers covered across a range of company-level deals tend to be in the broad field of engineering – companies like BAE, Babcock, Rolls Royce and Alexander Dennis – even though so many jobs have been lost during the pandemic.

Example: BAE Systems Maritime - Naval Ships, Glasgow (Scotstoun and Govan) manual workers

- **Wage rates 01/04/2020:** Apprentice Y1 £14,679 pa/Grade C (Unskilled) £24,311pa through to Grade A (Skilled) £28,611pa (prior to a new four-year deal agreed from 2021)
- **Hours:** 37
- **Annual leave:** 33-35 days (25 – 27 days plus 8 public holidays)
- **Sick pay:** from 15 days after 12 weeks’ service to 26 weeks full pay and 26 weeks half pay after 5 years (based on guaranteed contractual earnings)

Collective bargaining at Thales Optronics in Glasgow is another example, believed to cover around 325 workers (through a single-table bargaining arrangement that also covers a site in the South East of England); with Rosyth, the company says it employs over 700 people across its two Scotland sites.

In 2020 the intention at Thales had been to agree a multi-year pay deal but with the onset of Covid-19, the decision was made to revisit this when there was less uncertainty, leading to a one-year 2% deal. During the lockdown, the Glasgow site made hundreds of visors and other PPE using 3D rapid prototyping equipment to manufacture frames and assemble visors in cleanroom facilities; these were donated to local hospitals, care homes and vulnerable staff members and their families. The union and the company have also jointly taken part in lobbying for support for the manufacturing and aviation sector during coronavirus.

Chemical, pharmaceutical and related manufacturers account for another group of collective agreements in the sector, along with a number of glass manufacturers. Ineos at Grangemouth continues to employ over 1300 people directly, but also provides work for contractors engaged under the NAECl engineering construction agreement.

### Grant Westfield: statutory recognition

Grant Westfield is an Edinburgh-based firm supplying high-end washrooms and panelling, shop fitting and interior building design. Although it has strong links with the construction industry (see below) it also manufactures bathroom panels.

The GMB union initially applied to the CAC for statutory recognition between 13 December 2018 and 15 February 2019 for a production staff bargaining group of 37 (out of a total workforce of 210). It was to cover hourly paid staff including but not limited to Machine Operatives, Production Labourers, Forklift Truck Drivers, Dispatch/Distribution Operatives, HGV Drivers and Merchandising Team<sup>21</sup>.

The union's application followed the closure of a site in Livingston where a previous recognition agreement existed. It explained to the CAC that at that time the company was affiliated to the CIJC (Construction Industry Joint Council). Relations with the GMB existed, in the first place, because the union was one of the employees' representatives collectively bargaining with the employers association on behalf of its members in the construction industry.

Amid conflicting evidence about membership numbers and density, workforce cuts, abortive pay negotiations, and cancellation of checkoff, its application was not accepted but it applied again between 15 April and 27 September 2019, this time successfully.

The employer tried to argue that it had achieved harmonisation of employee benefits without recognition, and highlighted a changed profile of union membership within the company - but the union pointed to termination of the company's Contracts Division resulting in 50 members of staff being made redundant (including 20 union members) and 3 apprentice members who chose leave.

### Gas and electricity, water, sewage and waste

#### *Sector profile - gas and electricity*

- Gas and electricity industry group D, SIC 35
- Employee workforce jobs 13,808
- LFS bargaining coverage 22.9%, equivalent to around 3,000 employees
- LFS union presence 36.1%, equivalent to around 5,000 employees
- ASHE bargaining coverage 72.0%, equivalent to over 9,000 jobs
- ASHE Median full-time paid basic hours worked: 36.9
- ASHE Full-time hourly pay excluding overtime: lowest decile £12.94\*, median £21.90\*, top quintile £32.15\*
- ASHE Full-time weekly basic pay: lowest decile £457.80\*, median £732.90\*, top quintile £1,169.50\*
- Payline 12 agreements, more than 4,500 covered

#### *Sector profile – water and sewage*

- Water and sewage industry group E, SIC 36-38
- Employee workforce jobs 18,750
- LFS bargaining coverage 24.1%, equivalent to around 4,500 employees
- LFS union presence 37.8%, equivalent to around 7,000 employees
- ASHE bargaining coverage 61.2%, equivalent to over 11,000 jobs
- ASHE Median full-time paid basic hours worked: 37.0

<sup>21</sup> <https://www.gov.uk/government/publications/cac-outcome-gmb-grant-westfield-ltd> and <https://www.gov.uk/government/publications/cac-outcome-gmb-grant-westfield-ltd-2>

- ASHE Full-time hourly pay excluding overtime: lowest decile £10.49\*, median £15.46\*, 6<sup>th</sup> decile £18.47\*
- ASHE Full-time weekly basic pay: lowest decile £379.40\*, median £587.90\*, 6<sup>th</sup> decile £652.60\*
- Payline 8 agreements (10 including subsidiary agreements), more than 4,500 covered

### *Commentary*

There is a big discrepancy among Gas and electricity employers in the ASHE survey, who say 72% of jobs are covered by collective bargaining (over 9,000), while the LFS says only 22.9% of employees are covered (barely 3,000). It is a very similar picture in Water and sewage, where ASHE indicates that 61.2% of jobs are covered (11,000) but LFS says only 24.1% of employees are covered (barely 4,000). The two sectors are among Scotland's smallest employers, with 13,000 and 18,000 jobs respectively.

### *Sectoral bargaining*

Although these sectors had a history of sectoral bargaining, that was eroded by privatisation. However it does mean that company-level agreements tend to be UK-wide.

### *Other agreements*

ASHE evidence suggests that while bargaining coverage is 60-70%, nearly all of it takes place at organisational level. This report was originally prepared during a period of extended strike action over "fire and rehire" policies by service engineers within Centrica/British Gas, leading eventually to hundreds leaving their jobs.

Example: SGN C Business

- **Wage rates 01/04/2020:** pay rates in Scotland from £11.67 to £14.08 including Service Layer (driver) £13.83ph, under the 2018 4-year deal.
- **Hours:** 38.75
- **Sick pay:** full basic rate for 15 weeks

## **Construction**

### *Sector profile*

- Industry group F, SIC 41-43
- Employee workforce jobs 133,688
- LFS bargaining coverage 56.4%, equivalent to around 75,000 employees
- LFS union presence 72.2%, equivalent to 96,500 employees
- ASHE bargaining coverage 20.6%, equivalent to 27,500 jobs
- ASHE Median full-time paid basic hours worked: 39.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £8.81, median £13.16, top quintile £19.23
- ASHE Full-time weekly basic pay: lowest decile £340.60, median £520.40, top quintile £743.90\*
- Payline 24 agreements (101 including subsidiary agreements), 85,000 covered

### *Commentary*

The construction sector is a big employer in Scotland with over 130,000 employee jobs. The sector also has over 44,000 workers deemed to be self-employed, a status often regarded as "bogus". The industry's un-balanced reliance on high levels of non-direct employment was criticised in a recent report<sup>22</sup> by Professor Howard Gospel which was published – significantly – by the Joint Industry

---

<sup>22</sup> <https://www.jib.org.uk/documents/content/files/Direct%20Employment%20Report.pdf>

Board (JIB) for electrical contracting, with supporting statements from Andy Mitchell (Co-Chair of the Construction Leadership Council) and Gail Cartmail (Unite Assistant General Secretary).

A separate report by the University of Strathclyde Business School (see page 38) highlighted some of the difficulties for collective bargaining in the sector. In that context it pointed out that there are 47,800 construction businesses in Scotland employing around 10% of the workforce, highlighting the fragmentation of the workforce.

Of those companies, three quarters have no employees, while only 1.4% of businesses have 250+ employees, so it is a very challenging environment for collective bargaining. In the LFS survey 56.4% of employees said their pay was set by a collective agreement (75,000). But employers taking part in the ASHE survey – those who had any employees to report on - put it at just 20.6% (around 27,000). According to ASHE, most of the bargaining reported by employers takes place through national or industry level agreements (13.2%, around 17,000 jobs).

In this case it is the ASHE figures that look to be significantly out of line. This may simply reflect the fact that while there are so many national agreements covering the sector, recognition and pay rates may be decided at site level, where employers may judge that the employee's pay was *not* set "with reference to an agreement affecting more than one employee".

### *Sectoral bargaining*

Scotland's construction industry is covered by a wide range of collective agreements. Some are negotiated at UK level but some are specific to Scotland (or to Scotland and Northern Ireland). The industry has a very wide range of employer associations, many of which are active in Scotland, but not all. In some cases, Scottish and non-Scottish employer associations operate in close liaison.

There are other schemes (SBATC and SPADAC) that regulate terms and conditions for construction apprentices, into which construction employer associations and trade unions with construction membership have an input. These are highly relevant to the coverage of collective bargaining in the industry and as a benchmark for terms and conditions. In the Scottish Building Apprenticeship and Training Council (SBATC) the Scottish Building Federation and Unite are the two official sides but other parties including the FMB attend as observers.

When this report was compiled it had not yet been possible to confirm if the Refractory Users Federation agreement with Unite applies in Scotland; nor whether there are collective agreements applicable in Scotland that are associated with either the Federation of Dredging Contractors (FDC) or the Federation of Window Cleaners (FWC) – both of which are listed as employer associations by the Certification Officer.

Smaller building firms tend to be represented in the UK-wide Building and Allied Trades Joint Industrial Council (BATJIC) agreement.

- **About:** The Federation of Master Builders (FMB) negotiates National Conditions of Employment and Wage Rates (the Working Rule Agreement) through BATJIC with Unite. It says the partnership between the FMB and Unite provides a valuable forum which helps to maintain good industrial relations in the workplace.

- **Parties:** FMB describes itself as the largest trade association in the UK construction industry representing thousands of micro, small and medium enterprises. It has 7,759 GB members, who are vetted and inspected (its membership has fallen as a result of "stricter entry criteria").
- **Coverage:** BATJIC operates side by side with the CIJC agreement (see below), with construction companies including FMB members able to compare them, following BATJIC exactly, combining aspects of both, or ignoring both. Based on its 350 member companies in Scotland, extrapolating from a UK-wide member census, FMB estimates that the agreement could cover 2,500 workers. Roughly a fifth of its members are sole traders and half employ between 2 and 5 employees (with only a small percentage employing more than 50).
- **Wage Rates 22/06/2020:** Adult General Operative £10.07ph - Advanced Craft £13.17ph.
- **Hours:** 39 (overtime payable after 40)
- **Annual leave:** 30 days (22 plus 8 bank holidays).
- **Sick pay:** from day 2 of sickness absence, payable at £26 per day/maximum of £130 per week, for a maximum of 12 weeks, in addition to any SSP due.

The biggest British construction industry agreement is the **Construction Industry Joint Council (CIJC)**.

- **About:** According to the CIJC it is the most widely used agreement in the construction industry and its terms and conditions "have come to be regarded as 'the norm'". Its "Pink Book" agreement was formed in 1998, superseding two previous, separate agreements. It is not necessary for an employer to be a member of a trade association to utilise the agreement but warns against "cherry picking" and the risk that an employer failing to issue their workforce with written statements of the main terms of employment "will unwittingly find that the whole of the agreement has become 'implied'" into their contracts. The 60-page CIJC agreement is said to be very explicit, leaving little flexibility to be altered, although employers can pay more. Employees taken on in the industry can expect to receive a short (2-page) contract/statement of particulars that would refer to the much more detailed CIJC agreement.
- **Parties:** On the employers' side the CIJC includes eight different employer associations, most (but not all) of which are active in Scotland. In the course of negotiations over the 2021 pay deal the National Association of Shopfitters (NAS) left the Council, saying that many of its members were already paying above the agreed rates<sup>23</sup>. On the union side the GMB and Unite represent employees. In Scotland, employer associations in the CIJC have the ability to form their own Scottish agreement, but although that was actively considered in 2012 it is not being pursued; however conditions in the Scottish construction industry (one tenth the size of the UK industry) are very different/distinctive. The agreement has multiple employer association signatories.
  - The Scottish Building Federation (a principal Scottish signatory to the agreement) says that out of 6,000 construction companies in Scotland, about 400-450 are its members (others may belong to other federations like CECA and Build UK).
  - Build UK says it represents in excess of 40% of UK construction and its list of trade association members includes several that are signatories in their own right to the CIJC or other collective agreements.
  - In the case of the Civil Engineering Contractors Association CECA Scotland Ltd represents over 100 civil engineering contractors, ranging in size from small rural companies to large multinationals. It says it maintains strong links in the Scottish Parliament and with the Scottish Government, major clients, colleges and representative bodies in the Scottish construction sector.

---

<sup>23</sup> Building back better by backing better building, Workplace Report July 2021 <https://bit.ly/3AAer4v>

- The Home Builders Federation (HBF) counts all the major builders as members, some of which operate across the UK, including some that operate in Scotland (it says smaller Scottish-only businesses tend to be members of Homes For Scotland).
  - National Access and Scaffolding Confederation (NASC) regions include Scotland & Northern Ireland.
  - The Painting and Decorating Association (PDA) has 36 member companies of varying sizes in Scotland (there is no overlap/connection between the PDA and the Scottish Decorators Federation SDF).
  - The National Association of Shopfitters (NAS) withdrew from the CIJC Council in 2021. Its website lists 7 member companies in Scotland.
- **Coverage:** SBF suggests that less than a third of 175,000 construction workers in Scotland are covered by the CIJC agreement (according to NOMIS there are 133,000 employee jobs and 178,000 workforce jobs including 44,000 self-employed jobs). It bases that on a survey in which 23% of members said they were using the agreement. Less than a third would suggest less than 44,000 employees or less than 59,000 workers (we have assumed 50,000 for the purposes of this report). At **UK level** the CIJC says “somewhere between 250,000 and 500,000” operatives have the terms of the CIJC agreement incorporated directly into their contracts of employment “or, at least, their contracts of employment are based on CIJC terms”. When the employers’ side imposed a pay freeze in 2020, Unite national officer, Jerry Swain, attributed that to representatives of small trade associations, “with the ones wanting to pay the least calling the tune”.

As one of the parties to the CIJC agreement, SBF said it mainly recruits now on the strength of its business support services rather than its role in collective bargaining; its primary objective is not negotiating with the unions, and it does not/could not enforce application of the CIJC. It believes that CIJC coverage is declining, a trend thought to reflect attitudinal changes/a decline in collaboration in the industry - it is also the case that there are fewer people in the industry than there used to be with an industrial relations background. (Other parties to the agreement may not necessarily share this assessment).

The Demolition Contracting agreement occupies a well-established niche in the industry.

- **About:** The National Federation of Demolition Contractors lists its DICB Working Rule as part of its membership benefits and says it provides members with union-approved guidelines on the basic rights to workers. It describes itself as the UK’s largest demolition network, tracing its history back to post-World War II clean-up operations (the SBF recently launched its own Demolition Contractors Association).
- **Parties:** The NFDC negotiates with GMB and Unite.
- **Coverage:** The NFDC has 17 member companies in Scotland but as yet we have no estimate for the number of workers they employ who may be covered by the agreement in Scotland.

Scotland’s counterpart to the big Electrical Contracting industry agreement is the Electrical Contracting Scotland SJIB.

- **About:** The Scottish Joint Industry Board (SJIB) was founded in 1969 by SELECT and Unite. Its principal objects are to regulate relations between employers and employees engaged in the industry in Scotland, to provide benefits for persons engaged in the industry in Scotland, to stimulate and further the progress of the industry, and in addition and in the public interest to regulate and control employment, the level of skill and proficiency, health and safety competence, wages and welfare benefits. Membership of the Board consists of 4 representatives of SELECT and 4 representatives of



Unite the Union with an independent Chair. The SJIB's main functions are the maintenance of the National Working Rules, the registration and licensing of apprentices, grading and registration of employees, the resolution of disputes and the provision of welfare benefits. SELECT is also signatory to the Engineering Construction agreement (NAECI) with the ECIA and TICA (see below). The Scottish Joint Industry Board for the Electrical Contracting Industry (SJIB) was founded in 1969 as a partnership between SELECT and the EETPU (now part of Unite). Its core roles include training, apprenticeships, and planning for the sector's future, but it also sets the landscape for terms and conditions and was ahead of the times in taking a philanthropic approach in its National Working Rule agreement, by including holidays and sick pay.

- **Parties:** SELECT is the trading name of the Electrical Contractors Association of Scotland, with 1,237 member companies. It works closely with its sister organisation, the Electrical Contractors' Association (ECA) which is party to the JIB for England, Wales and Northern Ireland. There are differences between the two handbooks, but they never differ on their rates of pay (so the approved electrician grade rate is the same in all four countries of the UK). It says it is the largest trading association in Scotland whose members range from global/multi-national employers to sole traders, but the majority of its members are SMEs employing around 10 people.
- **Coverage:** SELECT says it has 5,500 Electricians and 4,500 Approved Electricians plus 200 or so Electrical Technicians on its database which would put Scotland coverage at 10,200. As with BATJIC, the employers' side view is that the agreement would be influential beyond their immediate membership. It points out that 40% of apprentices trained are employed by non-member companies, who have to follow the terms and conditions for apprentices set out in the SJIB agreement. The SJIB web site is open, it's not member-only access. Whether they are members of SELECT or not, most electrical employers in Scotland follow the SJIB rates/handbook: there is anecdotal evidence for that in enquiries received about/references made to the SJIB agreement. Scotland is (a little) different from England in that its small, "tight" community of employers place a high value on the SJIB. Plans [10 years ago] to set up a new agreement "BESNA" saw a huge show of confidence in the SJIB by employers. The Scottish Government's fair work dimensions map pretty closely to the Working Rule Agreement.

SELECT takes a cradle to grave approach in an industry where young people starting out as apprentices typically go on to become trained electricians working to high quality and H&S standards (with a valuable Grade Card linked to the Construction Skills Certification Scheme/Electrotechnical Certification Scheme). They can also go on to become the employers of the future (rather than taking a route into the industry/management from university). The SJIB works closely with the JIB for England, Wales and Northern Ireland with only subtle (but still important) differences between their two handbooks. They "never" differ on their rates of pay; so the approved electrician grade rate is the same in all four countries of the UK.

As part of the offshore energy industry the new Energy Services Agreement replaces the previous Offshore Contractors Association agreement and is Scotland's newest sectoral agreement.

- **About:** The Energy Services Agreement (ESA) is an entirely new agreement effective from 3rd February 2021. It replaces the previous Offshore Contractors Partnership Agreement (OCA). The future of that agreement looked uncertain at the end of 2019, when the companies involved served notice to leave, but intensive negotiations extended its life pending the conclusion of the new agreement. The ESA is designed to protect the terms and conditions of around 7,000 workers while being flexible in the face of challenges from wind, hydrogen and carbon capture. Unions worked hard to get offshore contractors on board, while trying to attract support from operators, the Oil and Gas Authority, the Oil & Gas UK employer's association, and the Scottish and UK Governments. The

agreement has particular significance in Scotland and North East and North West England. Unite Scotland Regional Officer John Boland, said: “This new agreement, which has the wide support of the offshore energy industry and encompasses the Fair Work principles, marks the start of a new way forward, ensuring fair terms and conditions for members offshore”.

- **Parties:** The ESA brings together 3 unions and 14 offshore contractors, and unions hoped that more would join. For historic reasons, RMT was not a signatory union to the previous OCA agreement.
- **Coverage:** The ESA agreement is thought to cover 7,000 workers, at a time when there were redundancies taking place in the sector. That appears to be similar to its OCA predecessor, which was described by Unite as a “baseline” for other companies operating in the North Sea, directly or indirectly affecting up to 30,000.

One of the best-known but more specialist agreements in the sector is the Engineering Construction NAECI agreement.

- **About:** The National Agreement for the Engineering Construction Industry (“the NAECI”, “The Bluebook”) sets the terms and conditions of employment for the hourly paid engineering construction workforce. The NAECI is applied on new-build projects, as well as events and outages and long-term repair and maintenance on sites throughout the UK. Its principal employer association, the ECIA, describes it as “a national-level Working Rule Agreement, derived through the process of collective bargaining between the parties. Together the signatory parties form the National Joint Council (NJC), which oversees the operation of NAECI. The NJC secretariat co-ordinates the parties’ negotiations to review wage rates and other aspects of the agreement. Where the NAECI has not been formally adopted for all engineering construction activities on a particular site, an individual contractor can, via the process of NAECI Registration, record their workforce numbers with NJC and then use the NAECI”. It is founded on the principle of direct employment.
- **Parties:** the NAECI is made up of 2 unions (GMB and Unite, plus a National Shop Stewards Forum) and ECIA, TCIA and SELECT and has an independent chair interpreting, ruling, adjudicating and auditing. The ECIA describes itself as the principal trade and employer association for the UK engineering construction industry, “supported by” the ECITB training board. Its 300 members include many of the largest companies in the world that carry out engineering projects across the globe. Others are much smaller British contractors employing skilled craftspeople on sites all over the UK.
- **Coverage:** SELECT, based in Scotland, identifies 837 workers in Scotland (out of a UK-wide total of 7,923). However, the NJC guide to the NAECI agreement estimates that over 15,000 operatives in the UK have the terms of the Agreement incorporated directly into their contracts of employment, so on that basis we have estimated Scotland coverage at 1,600. However, its influence is likely to be broader: At UK level the ECIA says around 50,000 people are employed in the industry in both site-based activities and off-site design and procurement work (repair and maintenance makes up the majority of work).

The staff sector of the construction workforce is catered for through the Environmental Engineering agreement.

- **About:** the National Joint Council for Environmental Engineers and Allied Staffs.
- **Parties:** BESA (previously known as Heating and Ventilating Contractors’ Association, before its rebranding in 2012) is signatory together with the Electrical Contractors’ Association (ECA); but ECA Scotland (SELECT) and the National Association of Plumbing, Heating and Mechanical Services Contractors are no longer parties to that agreement. BESA is also signatory to the Heating Ventilating Air Conditioning Piping and Domestic Engineering Industry agreement; has 1,074 GB members; and works with two other employers’ associations (SELECT and SNIPEF) in BSE Skills Ltd.
- **Coverage:** We do not have an estimate for the Scotland coverage of this agreement.

The Heating & Ventilating agreement is another long-standing component of the industry.

- **About:** Working Rules and Conditions for Building Services Engineering Supervisors, Foremen, Craftsmen, Apprentices, Installers, Adult Trainees and Mates.
- **Parties:** BESA (see above) and Unite.
- **Coverage:** We do not have an estimate for the Scotland coverage of this agreement.

The 'MAC' Mastic Asphalt Council agreement also occupies a more specialist niche.

- **About:** The Mastic Asphalt Council (MAC) is the trade association for the UK mastic asphalt industry. MAC represents more than 90 companies – including mastic asphalt manufacturers, the contractors responsible for its installation, and associated suppliers of equipment and services. It was removed from the Certification Officer's list in 2019-20.
- **Parties:** MAC and Unite.
- **Coverage:** MAC has 4 member companies in Scotland. It says MAC terms and conditions are passed to members and it assumed that they are then actioned. We do not have an estimate for the Scotland coverage of this agreement.

In parallel with its counterpart south of the border the Plumbing (Scotland & Northern Ireland) SNIJIB is another key component in the industry's bargaining arrangements

- **About:** SNIJIB says its objectives are to show leadership, stimulate and further the progress within the industry; regulate relations between employers and operatives; regulate and control employment; provide benefits for people working in the industry; improve skills and proficiency; improve and maintain welfare and health and safety standards; and regulate wages, allowances and terms and conditions of employment (National Working Rules). Its functions include the grading and registration of tradespeople and employees, and the registration of apprentices.
- **Parties:** SNIPEF/Unite.
- **Coverage:** SNIPEF's web site indicates that the agreement covers 3,500 plumbers and 700 apprentices (4,200 in all) across Northern Ireland and Scotland. Seven of their 11 local associations (they are independently listed by the Certification Officer) are in Scotland, so an estimate of 3,000 would seem reasonable.

The Scottish Painting Council is a purely Scotland agreement in a sector where UK-wide bargaining plays a powerful role.

- **About:** The Scottish Decorators Federation (SDF) negotiates with Unite on wages and conditions for the industry.
- **Parties:** The SDF has strict membership criteria: its membership includes more than half the industry's 30 manufacturers (it says Artex, Crown, Hamilton Acorn, Oakey, PPG Architectural Coatings and Purdy support the Scottish Painting and Decorating Apprenticeship Council SPADAC scheme by providing materials for apprentices' toolkits).
- **Coverage:** The SDF has 152 GB members, who it says undertake approximately 75% of the painting and decorating work in Scotland. At the end of 2020 the SDF reported that there had been workforce cuts of 10% to 25% among its members as work was put off or delayed, particularly in the hospitality sector, so the estimate of workers fell from 5,000 to 4,500.

SDF describes itself as a "consensus federation" (one of only 3 in Scotland and 17 in the UK); and as the second largest Scottish construction federation. It exists to be the voice for the reputable, qualified decorator and to improve the image of the industry. Its National Training Group works with

the CITB to provide post-apprenticeship training while its apprenticeship arm SPADAC registers 80% of CITB's apprentices in Scotland. According to SDF, it is customary to employ painters and decorators in Scotland under PAYE contracts (rather than as self-employed, through labour-only companies, as is more widespread south of the border), and that training in Scotland still tends to be to a higher Level 3 rather than the Level 2.

The Scottish Building and Apprenticeship Training Council (SBATC) is included here as an important sectoral agreement because of its wage-setting rather than its training role.

- **About the agreement:** Although this is a training council it also sets minimum rates of pay for apprentices through a process of negotiation between employer association and union representatives. Formed in 1934, its main purpose is “to regulate and monitor the working conditions, wages, recruitment and training of apprenticeships within the Building Industry throughout Scotland”.
- **Parties:** SBATC is a forum involving Unite and the Scottish Building Federation (SBF). It sets agreed rates of pay for registered construction apprentices in Scotland (SVQ level 2 and 3).
- **Coverage:** Not known.

The **Steeplejack & Lightning Protection Engineering Industry** agreement is perhaps the most specialist of the sector’s agreements.

- **About:** With Unite the Union, ATLAS operates a National Joint Council which agrees terms and conditions for the industry’s workforce.
- **Parties:** Steeplejack and Lightning Protection Engineers (ATLAS) and Unite. To be an ATLAS member, companies must meet strict criteria including, financial stability, health and safety, insurance, technical standards and training. ATLAS represents the leading companies in the lightning protection and specialist access industry. With CITB, it created and supports a dedicated industry Training Group (the Steeplejack and Lightning Protection Training Group (SLPTG)) to provide training and qualifications tailored to the needs of the industry, including apprenticeship programmes offering a formal training route for new entrants.
- **Coverage:** ATLAS appears to have 2 member companies in Scotland (PTSG and Direct Strike) but we only have a UK-wide workforce coverage figure of 1,100.

Finally, the Thermal Insulation Contractors Association agreement represents another traditional but specialist agreement

- **About:** The National Agreement for the Thermal Insulation Contracting Industry (TICI, known as the Pink Book) includes within its scope (but is not limited to) building and mechanical services; engineering construction projects; repair, maintenance and modification. TICA is also a signatory to the NAECI engineering construction agreement.
- **Parties:** TICA is the sole UK Trade Association representing contractors involved in the application of hot and cold Thermal Insulation. ACAD represents organisations involved in the Asbestos Industry throughout the UK. It has 314 GB members. The agreement is negotiated with GMB and Unite.
- **Coverage:** We do not have an estimate for the Scotland coverage of this agreement.

### *Other agreements*

Sector-level agreements play a very important role. For this project, Unite alone provided the names of almost one hundred companies following one or other of these agreements, half of them following the CIJC. The GMB also contributed examples and was involved in the statutory recognition case at Grant Westfield Ltd (see manufacturing).

Unite, GMB and Prospect have agreements with SSE Enterprise Contracting (which describes itself as one of the largest contracting businesses in the UK, offering a broad scope of mechanical, electrical and street lighting services out of 50 regional offices). In addition to the sectors mentioned above, local government employs workers with construction skills, who may be covered by the craft agreement (see below) or come under the SJC agreement.

Glasgow-based construction firm City Building is both an arms-length external organisation linked to Glasgow City Council (one of half a dozen) but is also a 50/50 joint venture with the Wheatley Housing Group. Its collective agreement with Unite covers 2,200 workers (it says it has a positive working relationship with a number of trade unions including Unite, UNISON and Community) including over 250 craft apprentices.

City Building describes itself as one of Scotland's largest construction firms, providing the largest construction craft apprenticeship programme in Scotland, and operating Royal Strathclyde Blindcraft Industries (RSBi), one of the largest supported manufacturing businesses in Europe (it employs over 250 people, more than 50% of whom have a disability). It undertakes the delivery of Wheatley Housing Group's repairs service in the West of Scotland as well as their capital investment programme and Glasgow City Council's own repairs.

## Wholesale, retail and repair of motor vehicles

### *Sector profile*

- Industry group G, SIC 45-47
- Employee workforce jobs 339,900
- LFS bargaining coverage 6.6%, equivalent to over 22,000 employees
- LFS union presence 10.6%, equivalent to 36,000 employees
- ASHE bargaining coverage 30.1%, equivalent to 102,000 jobs
- ASHE Median full-time paid basic hours worked: 39.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £8.07, median £10.73, top decile £20.74\*
- ASHE Full-time weekly basic pay: lowest decile £287.60, median £419.70, top decile £782.90\*
- Payline 29 agreements, 27,000 or more covered

### *Commentary*

In what is one of Scotland's biggest employment sectors (second only to health and social work), employers taking part in the ASHE survey in Scotland put the level of bargaining coverage at 30.1% (whereas the LFS household survey puts it at only 6.6%). However, only a small minority of jobs (2.0%, not many more than 6,000) are seen as having pay determined by a national or industry agreement, while a more substantial 8.4% attribute it to a national or industry agreement supplemented by a sub-national, organisational or workplace agreement.

### *Sectoral bargaining*

Only one sectoral agreement, Scottish Bakers between USDAW and the Scottish Association of Master Builders, seems relevant here but has been included in the manufacturing sector for the purposes of this report (see above). Other employer associations in the sector have no apparent role in collective bargaining (although further inquiries could prove otherwise): the Builders Merchants Federation (BMF), the National Federation of Retail Newsagents (NFRN), the Scottish Association of Meat Wholesalers (SAMW), the Scottish Motor Trade Association Limited (SMTA), and the Retail Motor Industry Federation Ltd).

Other evidence points to a decline of sectoral bargaining in the sector, even though employer associations remain active, like the Association of Newspapers & Magazine Wholesalers (which covers Smiths News, Menzies Distribution and five Independent News Wholesalers). The Cooperative Employers Association (CEA Limited) maintains collective agreements in England (there are two bargaining arrangements for smaller regional co-ops in the UK covering food retail, and office management employees) but has none which cover employees in Scotland. Scotmid, for example, have bargained locally with their recognised trade unions since 2001.

A CEA representative said large scale multi-employer collective bargaining had gradually declined over the last 20 years and was not expected to continue for much longer as societies opt for local bargaining with trade unions (in preference to being tied to a collective negotiation and outcome which might not fully reflect their position and ambitions at that point of time). It compares with the 1990s when the CEA maintained around 46 multi-employer collective bargains, so the direction of travel seems fairly clear. There is no equivalent of CEA in Scotland (i.e. no employers' association undertaking multi-employer collective bargaining).

### *Other agreements*

Company-level bargaining is the norm in the sector, with big employers like Tesco, Morrisons and Greggs entering into collective agreements with unions like USDAW, and also Unite and the BFAWU bakers' union. Tesco confirmed that in Scotland it employs about 26,000 "colleagues" in retail, over 1,500 in distribution (in Livingston) and about 1,500 in its Dundee Customer Engagement Centre (as well as over 2,000 in Tesco Bank's Glasgow and Edinburgh offices).

Example: Tesco (retail)

- **Wage rates 04/10/2020:** All staff, regardless of grade, get a basic £9.30ph equivalent to the Real Living Wage, but differentials between grades remain and are paid via skills payments
- **Hours:** 36.5
- **Annual leave:** 30 days (22 plus 8 public holidays)

### **Lloyds Pharmacy: statutory recognition**

Lloyds Pharmacy has over 1,440 pharmacies across the UK including around 200 in Scotland which employ around 400 pharmacists (alongside other staff) while making widespread use of locums.

Following a recognition breakthrough at Boots (triggering de-recognition of a non-independent union, the BPA) the Pharmacists Defence Association union switched its focus to Lloyds Pharmacy. Between 10 July and 20 November 2020 it took a claim for recognition at Lloyds to the CAC which accepted the union's definition of the bargaining unit, and opened the way to a staff ballot<sup>24</sup>.

The employer expressed some reservations (its 1547 Pharmacies had a very wide geographical spread and were usually staffed by a handful of people including the pharmacist who had to work together in a very flexible way without the pharmacist being isolated from the other staff). If recognition was granted just for pharmacists then the employer would potentially need to deal with two lots of negotiation for a handful of staff in all 1547 pharmacies.

<sup>24</sup> <https://www.gov.uk/government/publications/cac-outcome-pdau-mckesson-uk-lloyds-pharmacy> and [https://www.the-pda.org/cac\\_decision](https://www.the-pda.org/cac_decision)

However, it asked the union to formally withdraw its formal request for recognition so that discussions could take place in a positive spirit. The application for statutory recognition was paused in December to give the PDAU and the company a chance to reach a voluntary agreement, removing the need for a ballot.

The outcome was a voluntary agreement covering 2,600 pharmacists across the UK (including around 400 in Scotland). The first collective pay negotiations under the agreement can begin later this year in time for the 2022 pay review (the union having taken the pragmatic view, rather than delay the agreement until after the settlement due in April 2021) – by that time its new network of reps should be in place and trained.

Johnny Dowd, head of human resources at Lloyds' parent company, said: "Before reaching the agreement with PDA Union we asked our pharmacists what they wanted and there was clear support for us to work with the PDA in this way. We can reassure our pharmacists that we have listened to their views and we will continue to do so both directly and through this new relationship with the PDA union."

Whilst there was no collective agreement on pay at the time that this report was compiled, the union's experience at Boots is encouraging, as the latest negotiations saw the end of lower rates for pharmacists in Northern Ireland. Following on from its Boots recognition deal, and TUPE transfers, PDA recognition has now transferred to several hospital outpatient pharmacies, and some prisons (where Boots gave up their contracts at renewal), and it also hopes to secure agreements with some GP federations.

All of this means the union is now collectively bargaining for pharmacists in 4,000 of the UK's 13,500 community pharmacies, where salaries have been dropping in real terms for around a decade.

## Transport and storage

### *Sector profile*

- Industry group H, SIC 49-53
- Employee workforce jobs 105,003
- LFS bargaining coverage 10.5%, equivalent to 11,000 employees
- LFS union presence 39.9%, equivalent to over 41,500 employees
- ASHE bargaining coverage 63.0%, equivalent to 66,000 jobs
- ASHE Median full-time paid basic hours worked: 38.6
- Full-time hourly pay excluding overtime: lowest decile £9.24, median £14.14\*, top quintile £20.51\*
- Full-time weekly basic pay: lowest decile £365.90, median £520.50, top quintile £735.80
- Payline 136 agreements, more than 26,000 covered

### *Commentary*

Transport and storage is yet another sector where the ASHE (employers') estimate of bargaining coverage (63%, 66,000 jobs) is far higher than in the LFS household survey. However, most of that coverage appears to be at organisational level (28.5%) or workplace level (13.8%).

On the railways, for example, ASLEF says it has agreed bargaining with every train operator and freight operator in Scotland, with a membership density above 98%: it has agreements applicable in Scotland with LNER, TPE, Cross country, GB rail freight, DB Cargo, Freightliner intermodal, Freightliner Heavy Haul, Colas and DRS.

### *Sectoral bargaining*

Bargaining in the sector is primarily company or workplace based. In the distant past the Road Haulage Association (which currently represents more than 6,000 member companies) had regional Joint Industrial Councils but those were wound-up one by one, but that does not mean there are no relations with unions in what is a highly-unionised sector.

Together with Logistics UK (formerly the Freight Transport Association, with over 17,000 members) the RHA linked up with Unite during the Covid crisis to call for adequate hygiene facilities for all drivers and warehouse operatives when delivering to, or collecting from, business premises. The only sectoral body in the sector is the Downstream Oil Distribution Forum (DODF).

DODF owns the Petroleum Drivers Passport (PDP) which is now managed by the Scottish Qualifications Authority. It stems from an attempt in 2012 to establish common standards for drivers of petroleum fuel tankers, addressing concerns over gaps in safety and training, as well as terms and conditions. That led to a dispute in which advisory service Acas became involved.

According to SQA, the UK Department for Business, Energy & Industrial Strategy (formally known as the Department of Energy and Climate Change) mandated DODF to review best practice in health and safety and driver training standards with a view to incorporating any recommendations into a new industry-wide code of practice.

DODF turned to SQA to develop and manage what has now become the PDP Scheme, which is followed by a number of companies in Scotland. However, this arrangement does not set pay or conditions for the sector.

### *Other agreements*

There are more agreements on the Payline database in transport and storage than in any other sector and that holds true in Scotland (where around 130 are recorded).

Maritime transport is particularly important in Scotland. State-owned CalMac Ferries Ltd has 10 agreements in combination with RMT, Nautilus, TSSA and Unite, covering around 1,400 workers.

Example: CalMac Western Isles

- **Wage rates 01/10/2020:** Retail Trainee £16,417-20,832pa to Chief Steward £42,653pa
- **Sick pay:** from 6 weeks full pay and 6 weeks half pay after 6 months' service to 26 weeks full pay and 26 weeks half pay after 10 years' service

Orkney Ferries, an arms-length external organisation linked to Orkney Council has an agreement with NAUTILUS, RMT and Unite covering 90 more. P&O and Serco are both in the field too.

Rail agreements (UK-wide and Scotland-specific), bus and tram help to make land transport a reservoir of collective bargaining in Scotland, along with logistics operations like XPO and those allied to big retailers like Asda.

Asda's distribution workers have for some years been covered by a UK-wide national agreement which affects 825 workers at Grangemouth and Falkirk. As this report was being completed, Asda's retail workers won the right to compare themselves with higher paid warehouse workers, following a Supreme Court ruling.



Publicly owned Lothian Transport negotiates across 4 different bargaining groups covering a total of 1,590 workers, while the 50 workers covered by Unite's agreement with Glasgow Taxis show how widespread collective bargaining is in the transport sector.

### **Babcock: statutory recognition**

Babcock Mission Critical Services – Offshore Ltd, formerly known as Bond Helicopters, the company provides offshore helicopter transportation services (for passengers, provisions and materials) to North Sea and Irish Sea oil and gas platforms, operating from Aberdeen, Sumburg on Shetland, as well as Blackpool and Norwich.

In 2017, Prospect secured bargaining rights for B1 and B2 licensed engineers (78 workers) following a two-year campaign and a ballot ordered by the Central Arbitration Committee (in a 73% turnout, no employee voted against).

Recognition was extended voluntarily to mechanics who work alongside the engineers, but a year later (between 7 March and 20 June 2018) the union returned to the CAC with an application for a bargaining unit covering pilots and search-and-rescue flight crew (numbers added up to around 140 out of a workforce of over 450)<sup>25</sup>.

The employer was reluctant, suggesting that its Employee Consultation Forum (ECF) was an effective mechanism for dealing with collective consultation: it had a greater range of influence in terms of representation and represented staff over a wider range of topics than those that would be subject to collective bargaining under a statutory recognition agreement; and that they had brought in significant change within the business by using that approach.

It also told the CAC that individuals may take union membership for the benefits, free legal advice, support in disciplinary matters and other factors, rather than wanting the union to bargain collectively on their behalf. In its view the majority of workers within the bargaining unit regarded the ECF as an appropriate and effective forum for consultation on matters in respect of which Prospect was seeking recognition.

The union said the Employee Consultation Forum was consultative rather than a negotiating body and also had no locus for pay, an area of strong interest for its members. With an existing membership of nearly 100, and survey evidence of a high level of support for collective bargaining, Prospect easily secured a declaration of recognition for its proposed bargaining unit (including Managing Pilots, seen as being part of a cohesive group).

As the statutory process moved on to consideration of the union's suggested bargaining unit, a difference emerged between the employer and the union over the inclusion of a small group of Managing Pilots. While the company put forward a number of reasons why they should not be included, including the confidentiality of management information, union arguments prevailed.

They were a cohesive group of workers: Managing Pilots were not just Managers, but also operational pilots undertaking similar duties with similar licensing and training requirements, and were already recognised as part of the 'pilot grouping'.

---

<sup>25</sup> <https://www.gov.uk/government/publications/cac-outcome-prospect-babcock-mission-critical-services-offshore>

When designing a pay system, the union also argued, it would be important that the rates of pay for managers were cognisant of the rates of the staff they managed, particularly where an individual can expect to move up through the scales during their career. Finally the four Managing Pilots had in fact expressed a preference to be part of the proposed bargaining unit.

The CAC panel also noted that it is not uncommon for bargaining units in both the public and the private sectors to include both managers and those whom they manage, and it did not believe that a single bargaining unit including Managing Pilots would create any conflict of interest and thereby be incompatible with effective management.

Recognition led on to an important review of the pay structure. Following the switch in ownership (from a family-run business with no previous history of collective bargaining, to Babcock) a complete redesign of the engineers' entire pay system was required. Prospect believes that would not have happened without the voluntary recognition agreement concluded after its successful application to the CAC.

### **Loganair: statutory recognition**

Loganair Limited is a second example of statutory recognition in the transport sector. Since gaining recognition in July 2020, Unite has developed its relationship with Glasgow-based regional airline Loganair, helping to secure valuable funding for training. But, in this case, just getting recognition was a ground-breaking achievement for the union and the cabin crew.

Previously, Loganair was the only large employer at Glasgow Airport with which the union had no agreement (although it had a voluntary recognition agreement with the pilot's union, BALPA). According to Unite, a number of cabin crew approached the union saying that their voice was not being heard, triggering a push for recognition.

Unite's request was put to the company in January 2020 (shortly before the Covid-19 lockdown and the collapse of rival Flybe) for a recognition agreement covering 136 staff including 82 members. It was not accepted, and in February, the union asked advisory service Acas to get involved, offering to undergo a membership audit. But, with the company insisting on a higher support threshold than recognition law requires (60% plus one) the union objected on principle and negotiations ground to a halt.

Unite submitted a formal request to the CAC for recognition on Friday 13 March<sup>26</sup>. Unluckily, the company approached another union (GMB) and said it already had a recognition agreement signed on 16 March. It revealed that when contact was made by Unite for voluntary recognition, several managers seemed to prefer the idea of a relationship with the GMB or Prospect.

There was a risk that this could have blocked Unite's application. However, the GMB advised Loganair and the CAC that it had withdrawn from the voluntary agreement, which it regarded as "null and void". The CAC accepted in this case that an agreement can only exist if two or more parties are prepared to honour it.

---

<sup>26</sup> <https://www.gov.uk/government/publications/cac-outcome-unite-the-union-loganair-limited>

Unite had a record of a year's work at the company, and it had the necessary membership and support. Its recognition application was accepted by the CAC without a ballot, and a procedural agreement between Unite and Loganair was finally signed on 17 November.

Although the employer opposed that outcome, it told the CAC that it was not against recognition 'per se', and subsequently seemed to warm to the idea of working with Unite. With the union's help its staff (including non-union members) received training in Spanish, British Sign Language, autism awareness, customer service and ICT.

For flights with a single cabin crew member, in particular, skills like these are invaluable. Recognition also allowed Unite to put all its energies into redundancy mitigation, as the company struggled (like others) to cope with the effects of the Covid crisis. The agreement now covers around 120 staff including 100 based in Scotland.

### **Prestwick Aircraft Maintenance Limited (PAML): statutory recognition**

Prestwick Aircraft Maintenance Limited (PAML) is a third example of statutory recognition in the transport sector. PAML provides maintenance for operators like Ryanair but is new to union recognition. Between 24 April 2020 and 29 May 2020 Prospect pursued statutory recognition at PAML for a bargaining unit comprising "All staff in Prestwick Aircraft Maintenance Limited below the level of Director."<sup>27</sup>

In its application, Prospect said there were 560 workers in the proposed bargaining unit, of whom 242 were members of the union. The company (which carries out the heavy maintenance checks for Ryanair) submitted slightly different figures.

In this case, union involvement began to pay dividends before rather than after recognition, as it reacted to the company's response to the Covid-19 lockdown. With "no meaningful consultation" the company had cut its workers' pay by 50% and was refusing to use the Coronavirus Job Retention Scheme (despite direct Government advice that it was not undertaking essential work, and should furlough staff).

It was particularly galling as Prestwick Airport itself (owned by the Scottish Government) agreed a deal with Prospect to furlough the majority of its workforce while remaining open, and offering payments beyond the government's £2,500 monthly cap (the airport also gave staff the option to top up their salary to the full level of pay using annual leave).

Over 20 staff were dismissed for refusing to take a pay cut and cases were subsequently taken forward to an employment tribunal. In the meantime the union wrote formally to the company seeking recognition for pay, hours and leave as covered by statutory recognition. When the mandatory waiting period ended it submitted a formal recognition request to the CAC.

At the CAC the company said that over the years, when dealing with its employees, there had been very little mention from them of a trade union. It also said the union had very little involvement when it came to disciplinarys and grievances of staff (as some unions do in workplaces without

---

<sup>27</sup> <https://www.gov.uk/government/publications/cac-outcome-prospect-prestwick-aircraft-maintenance-limited>

recognition). The union's application was successful but further steps were on hold pending developments on site.

## Accommodation and food services

### *Sector profile*

- Industry group I, SIC 55-56
- Employee workforce jobs 202,733
- LFS bargaining coverage 27.7%, equivalent to 56,000 employees
- LFS union presence 47.5%, equivalent to 96,000 employees
- ASHE bargaining coverage 11.1%, equivalent to 22,500 jobs
- ASHE Median full-time paid basic hours worked: 38.2 hours
- ASHE Full-time hourly pay excluding overtime: lowest decile £7.07, median £9.50, top quintile £12.06\*
- ASHE Full-time weekly basic pay: lowest decile £266.00, median £344.80, top quartile £432.40\*
- Payline 9 agreements, more than 2,700 workers covered

### *Commentary*

This sector is an example of where collective bargaining coverage identified in the LFS household survey (27.7%) is more than double the level identified in ASHE (11.1%); and in the case of ASHE the only available statistics relate to organisational and workplace-level agreements.

### *Sectoral bargaining*

The only identified sectoral agreement applicable in Scotland is the Caterer's Offshore Trade Association (COTA).

- **About:** The COTA agreement covers North Sea catering jobs.
- **Parties:** COTA is the offshore caterers agreement between RMT and Unite and seven employers. It was originally made up of six companies but Conntrac Catering recently signed the agreement.
- **Coverage:** Following the addition of a seventh employer the agreement now covers 2,750 workers.
- **Wage rates 01/09/2020, delayed until April 2021:** Grade A (Salaried) £36,456pa through to Grade E (Salaried) £48,719 pa (annual salary and holiday pay).
- **Hours:** Contracted for up to 161 days on average per year excluding annual leave (agreement also refers to additional offshore days).
- **Sick pay:** less than 1 year service, SSP; more than 1 year service, up to 21 days at the sick pay grade rate, then up to a further 21 days at half the sick pay rate, followed by SSP.

### *Other agreements*

The comparatively high level of bargaining suggested by the LFS (27.7%, equivalent to 56,000 workers) is hard to explain with so few examples of union collective agreements (even with the 2,750 COTA workers included).

Unite has recognition agreements with Atholl Arms Hotel in Dunkeld (which in July became a full signatory to its Fair Hospitality Charter, ensuring workers will receive the real living wage) and Summerhall, described as Europe's biggest private multi-arts complex. RMT has a collective agreement covering Trump Turnberry Resort (where in autumn 2020 the union campaigned against the axing of up to 80 jobs alongside cuts to sick pay, working hours, pay enhancements, staff benefits and working conditions).

## Information and communications

### *Sector profile*

- Industry group J, SIC 58-63
- Employee workforce jobs 77,865
- LFS bargaining coverage 37.3%, equivalent to around 29,000 employees
- LFS union presence 44.6%, equivalent to 34,500 employees
- ASHE bargaining coverage 4.6%, equivalent to 3,500 jobs
- ASHE Median full-time paid basic hours worked: 37.5 hours
- ASHE Full-time hourly pay excluding overtime: lowest decile £11.27\*, median £18.81\*, top quintile £27.33
- ASHE Full-time weekly basic pay: lowest decile £415.70\*, median £689.90\*, top quintile £967.80\*
- Payline 43 agreements, more than 8,500 covered

### *Commentary*

Information and communications is another sector where household members were far more likely to believe that their pay is set by collective bargaining than employers. But this sector includes parts of the creative industry workforce where unions are very active.

### *Sectoral bargaining*

With the help of unions in the sector we have identified ten sectoral agreements relevant mainly to film and TV production including writing and recorded music. There is considerable overlap with the art, culture and recreation sector (see below) with many of the same unions and employer associations represented in the two industry groups.

Most of these agreements are with three employer associations, PACT, BPI and IPA, involving Directors UK, Equity, the MU, Prospect-BECTU and the writers' guild, WGGB. As with the art, culture and recreation sector, collective agreements are often distinctive in that:

- they may apply to freelance workers as well as employees
- they provide for payments to be made after the work has been carried out, when it generates further value (like re-use fees or royalties)
- for some of the unions involved, collecting payment or re-use fees or royalties can be part of their on-going role
- they may be 'umbrella' agreements open to employers in the sector, or agreements with individual employers (the latter are not referred to in this report)

Collective bargaining for musicians working in recording and broadcasting is distinctive in that it must provide for on-going rewards after the point at which work is carried out (in the form of commercial use fees or royalties), as well as for the recording sessions themselves.

It is part of the MU's work to ensure that payment for use of recorded/broadcast work is collected at the agreed rate and forwarded on to the artists involved, long after the original recording session. It is difficult if not impossible to put a number on workers covered in Scotland by these recording and broadcasting agreements, but at UK level about 13,000 out of the MU's 32,000 members receive royalties.

### *Producers Alliance for Cinema and Television (PACT)*

PACT has 518 GB members (not just in London but across the UK). It is party to several collective agreements and, although its Film Artistes Agreement applies in London, its other agreements are understood to apply in Scotland.

### *Directors UK/PACT TV Directors (PACT) agreement*

Directors UK is the professional association of directors working with the moving image in the UK, with over 7,000 members; it originated from the Directors' and Producers' Rights Society (DPRS), initially established in 1987 by the Directors Guild of Great Britain (DGGB) for the purpose of collecting payments due to directors under other European legislation. We have not yet obtained an estimate for the number of workers covered in Scotland.

### *Equity/PACT agreements*

- Cinema Film agreement
- PACT TV Agreement
- PACT Equity agreement

Example: PACT Supporting Artist Agreement (Equity)

- **Wage rates 01/01/2021:** basic fee £97.00 per day for filming engagements outside London (plus negotiated rates for holiday pay, overtime, costume fitting and public holidays/nights).

### *WGGB/PACT Film agreement*

The Writers' Guild of Great Britain (WGGB), the Personal Managers' Association (PMA) and Pact agreed to renew Agreement negotiations in 2016. The agreement sets out minimum terms and conditions to be observed in contracts and created a new forum to ensure that the agreement is "responsibly administered and kept up to date".

### *Prospect-BECTU/PACT agreements*

- Film Construction Crews (PACT) agreement
- Lighting Technicians (Major Motion Pictures) PACT agreement
- Lighting Technicians (TV Drama) PACT agreement

Example: Film Construction Crews Major US Studio Feature Films (PACT)

- **Wage rates 01/04/2020:** Stagehand £1,205.55 per week through to Carpenter HOD £2,207.43.

### *MU/PACT session musicians agreement*

The agreement applies to musical content produced by independent TV production companies (who produce content for all broadcasters including the BBC) and film production companies (including big-name Hollywood companies); and sets out minimum terms for engaging session musicians (session fees and commercial use fees, including overdubbing and doubling/trebling etc). There are a number of big production companies in Scotland, some of them having been encouraged to work there due to Scotland's devolved-nation status.

### *BPI (British Phonographic Industry) Limited*

BPI represents the UK's recorded music industry. Its membership includes more than 400 independent music companies and the UK's major record companies – Universal Music UK, Sony Music UK, and Warner Music UK, who together account for 85% of all music sold in the UK.

The Musicians' Union has an agreement with the BPI covering session musicians (who are independent contractors) and is believed to cover Scotland. It covers publishing payments for CD mechanical reproduction; and session fees. BPI has just under 20 member labels in Scotland.

#### *IPA (Institute of Practitioners in Advertising)*

The IPA sets protocols for the UK advertising industry's best practice standards, including how to run an agency, setting or updating policy, or leading the industry response, helping more than 4,000 practitioners every year. It has offices in London and Edinburgh. Its Recorded Advertising Music agreement with the Musicians' Union sets out terms and conditions for musicians engaged to record music for advertising purposes.

In addition to the agreements mentioned above the Musicians' Union Recording and Broadcasting Section also negotiates:

- the Library Music MU agreement covers library music producers (recording music without a particular client in mind) that are registered with the Mechanical Copyright Protection Society (MCPS)
- the BBC MU agreement which applies to in-house BBC productions (and third party performances for independent producers) and sets minimum terms and conditions for engaging session musicians for BBC TV and Radio content (covering engagement fees, performance fees, multiple-use engagement fees, doubling fees and over-dubbing fees).
- the ITV MU agreement applies to in-house ITV productions and sets minimum terms and conditions for engaging session musicians for ITV content, including TV dubbing money. The BBC uses its agreement more than the ITV, which makes more use of independent production companies that may be following the PACT agreement.
- At company level there is also Clockwork Sessions, the Scottish Session Orchestra which describes itself as a specialist studio orchestra for soundtrack recording, and is in competition with the Royal Scottish Orchestra (the MU has agreements with both). Clockwork's clients include Hans Zimmer, Christian Henson, Spitfire Audio, Sony Pictures, Netflix, Scottish Chamber Orchestra, BBC, Famous Grouse, and Craig Armstrong.

#### *Other agreements*

The creative industry unions, mentioned above, also have agreements with some well-known companies like BBC and STV, and includes a range of media agreements, like Newsquest (Herald Times) which covers 90 editorial staff. The Covid crisis saw imposed wage cuts and two weeks' unpaid leave for senior managers but it was anticipated staff pay would have returned to normal in October: it's a reminder that even where collective bargaining is in place, employers can and do sometimes make unilateral decisions.

The CWU's collective agreements with the Royal Mail Group (Royal Mail Holdings) in Scotland cover 10,700 workers (including those in fleet, customer experience, finance operations and HR business services) with a further 140 in Royal Mail Property & Facilities Solutions (RMPFSL) Engineering and Admin & Generic. Its BT (NewGRID grades) agreement covers 5,200 while its agreement with EE Ltd covers 340. In the public sector its Post Office agreement covers 115.

## **Finance and insurance**

### *Sector profile*

- Industry group K, SIC 58-63



- Employee workforce jobs 83,811
- LFS bargaining coverage 17.8%, equivalent to over 14,500 employees
- LFS union presence 34.8%, equivalent to 29,000 employees
- ASHE bargaining coverage 48.5%, equivalent to 40,500 jobs
- ASHE Median full-time paid basic hours worked: 35.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £10.94, median £18.60\*, top quintile £31.15\*
- ASHE Full-time weekly basic pay: lowest decile £382.70, median £650.70\*, top quintile £1,090.70\*
- Payline 28 agreements, more than 27,500 covered

### Commentary

Finance and insurance is a sector where employers taking part in ASHE were far more likely to say that collective bargaining affects employees' pay than the individuals taking part in the LFS. Almost all of the Scotland jobs covered, according to ASHE, are subject to organisational rather than sectoral agreements.

### Agreements

Unions negotiate extensively for workers in the finance sector but it all takes place at company level. While we don't have bargaining coverage figures for all the companies active in this sector we can account for over 27,000, well beyond the figure calculated for LFS (14,500 based on coverage of 17.8%) and making the ASHE figure (48.5%, equivalent to 40,500 jobs) look more credible.

Aegis, for example, has agreements with the Aegon UK Group covering 3,000 workers in Scotland; with the YBS Group covering 60 workers in Scotland; and with the Skipton Group covering 41 workers in Scotland.

#### Example: Nationwide

The Nationwide Group Staff Union negotiates with the Nationwide Building Society which has 45 branches in Scotland, which are thought to employ around 850 people, based on 4 employees per branch (more for bigger branches and Area Managers) plus around 500-550 in its Administration Centre in Dunfermline (in normal times) and 80 at its Mortgage Centre in Glasgow.

- **Wage rates 01/07/20:** Level 1 - Grade 1 £16,926/£19,127pa underpinned by the Real Living Wage through to Level 3/Grade 4 £70,754 pa-£114,976 pa
- **Hours:** 35
- **Annual leave:** starting from a basic 25 days entitlement but builds by service (with options to sell) and including loyalty awards, a 10-year anniversary day, eligibility for a 6-week paid sabbatical after 25 years, and 2 weeks additional holiday plus £2,500 in the 50<sup>th</sup> year.

## Real estate and letting

### Sector profile

- Industry group L, SIC 68
- Employee workforce jobs 33,481
- LFS bargaining coverage 11.7%, equivalent to over 3,500 employees
- LFS union presence 23.1%, equivalent to over 7,500 employees
- ASHE bargaining coverage 39.2%, equivalent to 13,000 jobs
- ASHE Median full-time paid basic hours worked: 36.7
- ASHE Full-time hourly pay excluding overtime: lowest decile £9.70\*, median £14.76\*, 7<sup>th</sup> decile £18.75\*



- ASHE Full-time weekly basic pay: lowest decile £364.60\*, median £544.60\*, 7<sup>th</sup> decile £695.00\*
- Payline 13 agreements (16 including subsidiary agreements), around 6,700 covered

### *Commentary*

The ASHE bargaining level is relatively high with more than half of those jobs covered by organisational rather than sectoral agreements.

### *Sectoral bargaining*

The only known sectoral agreement is Employers in Voluntary Housing (EVH).

- **About:** EVH provides "unlimited support" to the governing bodies of not for profit and voluntary organisations in all aspects of their employer role. It was formed in 1978 from a small group of community-based housing associations in Glasgow, and offers two main sets of terms and conditions, although there have been more recent developments.
- **Parties:** EVH negotiates the agreement with Unite. It does not cover some big employers in the sector or unions like UNISON or GMB with which they negotiate.
- **Coverage:** EVH has at least 150 organisations in all parts of Scotland (including employers throughout the social enterprise and not for profit sectors). Data from 2015 suggest that its agreement with Unite covered 98 employers jointly employing around 2,500 staff. For this project Unite has confirmed that a wide range of (sometimes small) housing associations are covered. However, Key Housing (with 713 properties across 15 local authority areas) is an EVH member.
- **Wage rates 01/04/2020:** PA Grade 1/2 (points 1 or 2) £16,972 through to Senior Management £44,274pa - £85,001pa (managers on a three-point spread within this range).
- **Hours:** 35.
- **Annual Leave:** 8 weeks including public holidays.
- **Sick pay:** service related, from 5 weeks full pay/5 weeks half pay to 26 weeks full pay/26 half pay.

EVH Terms and Conditions of Employment represent an agreement on minimum terms between full EVH members and Unite. The agreement is its "raison d'être" and brings with it access to a JNC with procedures for dealing with redundancies, grievances and disciplinaries, and negotiated conditions. For employees transferring from one full member of EVH to another fully affiliated member it provides continuity of service for up to one year, with protection for reckonable service, salary and incremental entitlement (unless the transfer is to a lower grade job).

EVH also has a set of Model Terms and Conditions "designed to offer the statutory minimum, plus a little bit extra" to associate members. Recently, however, EVH has developed "Approved Variations to Contract" allowing limited latitude for full members to vary the standard set of conditions, with the aim being to provide "a bit of flexibility against locally prevailing needs" and also help better meet some "employer of choice" aspirations. A further evolution ("Project Nokia") provides an "extremely flexible" set of conditions for associate members.

### *Other agreements*

While the EVH agreement is significant there is plenty of union-to-employer bargaining in the sector, with some big housing associations involved. It's an extensive and apparently well-unionised sector (Glasgow alone has about 68 housing associations) with considerably more than the 3,500 coverage suggested by LFS.

The Wheatley Group alone has 3,000 workers and negotiates with UNISON and GMB (it is also joint owner of City Building (Glasgow). It was formerly the Glasgow Housing Association and members

who transferred are protected by TUPE provided they haven't changed role from that which they occupied at transfer.

The two unions don't actually negotiate jointly but in practice the two pay agreements and salaries are informally aligned. Unite has a completely separate agreement covering Wheatley's care workforce. UNISON sees its relationship with Wheatley as good (on issues like PPE, sick pay, shielding and furlough) and the association is a big player at Government level, with a seat on a Covid-19 working group.

## Professional, scientific and technical services

### *Sector profile*

- Industry group M, SIC 69-75
- Employee workforce jobs 175,002
- LFS bargaining coverage 67.5%, equivalent to 118,000 employees
- LFS union presence 85.0%, equivalent to over 148,500 employees
- ASHE bargaining coverage 11.6%, equivalent to over 20,000 jobs
- ASHE Median full-time paid basic hours worked: 37.4
- ASHE Full-time hourly pay excluding overtime: lowest decile £9.85, median £17.26\*, top quintile £27.12
- ASHE Full-time weekly basic pay: lowest decile £360.80, median £629.50, top quintile £995.00\*
- Payline 13 agreements (21 including subsidiary agreements), around 500 covered

### *Commentary*

Individuals in the LFS household survey, working in Scotland's professional, scientific and technical services, were far more likely to say their pay was set by collective bargaining than were employers in the ASHE survey. The reasons for this are unclear. ASHE data points to bargaining taking place at organisational and workplace level.

### *Sectoral bargaining*

Only one sectoral agreement has been identified, the Advertising Producers Association agreement with Prospect-BECTU.

- **About:** APA provides recommended crew rates/terms for engaging crew which are negotiated informally with BECTU.
- **Parties:** APA and BECTU. APA is the trade body for production companies, animation, VFX, immersive, sound design, music & editing companies making commercials.
- **Coverage:** APA has 25 GB members altogether, but only one in Scotland (LS Productions, London, Edinburgh and Manchester). Scotland coverage of the agreement is not known.

### *Other agreements*

Employer-level agreements in the sector cover a wide range of workers and staff, from solicitors to auditors, architects, insurance inspectors, vets, consultants and meteorologists.

Example: Met Office

- **Wage rates 01/04/2020:** Pay Group 7 (AA equivalent) £20,164 through to Pay Group 1 (Grade 6 equivalent) £57,171 pa-£62,687pa
- **Hours:** 37 hours per week for most staff
- **Annual leave:** 35.5-40.5 (27.5-32.5 plus 8 public holidays)
- **Sick pay:** Full pay 6 months, half pay 6 months then statutory, over a rolling 4-year period

## Administration services

### *Sector profile*

- Industry group N, SIC 77-82
- Employee workforce jobs 185,198
- LFS bargaining coverage 72.5%, equivalent to 134,000 employees
- LFS union presence 85.8%, equivalent to over 158,500 employees
- ASHE bargaining coverage 16.7%, equivalent to over 30,500 jobs
- ASHE Median full-time paid basic hours worked: 38.5
- ASHE Full-time hourly pay excluding overtime: lowest decile £8.74, median £12.10\*, top quintile £20.16\*
- ASHE Full-time weekly basic pay: lowest decile £326.90, median £467.30\*, top quintile £771.80\*
- Payline 34 agreements (39 including subsidiary agreements), more than 7,600 covered

### *Commentary*

Individuals in the LFS household survey in Scotland working in accommodation services were far more likely to say their pay was set by collective bargaining than were employers in the ASHE survey. The reasons for this are unclear. ASHE data points to bargaining taking place at organisational and workplace level.

### *Sectoral agreements*

No sectoral agreements have been confirmed in administration services sector.

### *Other agreements*

The sector includes a diverse range of collective agreements covering tourism, security, airport services, customer services, and facilities management, including a number of contractors working for public service employers such as:

- ISS (NHS Lanarkshire) - covers 424 staff employed at University Hospital Hairmyres where ISS applies Agenda for Change (Scotland) terms & conditions.
- Serco (NHS Forth Valley) - covers 800 staff and applies Agenda for Change (Scotland) terms & conditions.
- Serco (NHS Lanarkshire) – covers 315 staff at University Hospital Wishaw, applies Agenda for Change (Scotland) terms & conditions.
- Sodexo (Scottish Fire & Rescue Service) - a four-year contract to provide catering, cleaning, security and waste services across the full SFRS estate (420 locations).
- Visit Scotland – covers almost 550 staff

Example: Visit Scotland

- **Wage rates 01/04/2020:** Minimum rate of pay £18,270
- **Hours** 35
- **Annual leave:** 30 days after 5 years' service.

### **Mears Facilities Management: statutory recognition**

Mears is a major housing and care provider to both the public and private sector, with over 6,500 employees operating at locations across Scotland and England.

Between 6 February and 23 October 2020, the GMB pursued recognition for a bargaining unit comprising “cleaning staff and FMA’s” (all directly employed Mears facilities management staff) across all six West Lothian Schools with Mears facilities management. It said there were 55 workers

in the proposed bargaining unit (the employer put the figure at 66) of whom 41 were members of the union.

The statutory procedure was delayed, at the union's request, so that the parties could hold talks on voluntary recognition (something the CAC was happy to agree to), but resumed at the beginning of June at the union's request<sup>28</sup>. The employer said it was reviewing and hoping to simplify all its processes across all of its contracts as to how it interacts with trade unions, but the union was unwilling to wait for that process to be concluded.

Having secured recognition without a ballot, the union asked the CAC for assistance in devising a bargaining method for its relationship with Mears. But, as the time limit for the parties to agree a bargaining method passed, it fell to the CAC to specify a legally enforceable method, taking into account the Trade Union Recognition (Method of Collective Bargaining) Order 2000.

That was done, with minor amendments, establishing a Joint Negotiating Body (JNB) to discuss and negotiate the pay, hours and holidays, with no other body or group to undertake collective bargaining on those issues for those workers, "unless the employer and the union so agree".

The GMB's application for statutory recognition followed a campaign to secure the Local Government Living Wage, and hopefully back-pay. In order to ensure that pay negotiations were included in the recognition agreement, the union was willing to take the statutory route.

## Public administration

### *Sector profile*

- Industry group O, SIC84
- Employee workforce jobs 155,895
- LFS bargaining coverage 51.9%, equivalent to over 80,500 employees
- LFS union presence 75.0%, equivalent to over 116,500 employees
- ASHE bargaining coverage 96.3%, equivalent to over 150,000 jobs
- ASHE Median full-time paid basic hours worked: 36.9
- ASHE full-time hourly pay excluding overtime: lowest decile £11.22, median £18.08, top decile £27.98\*
- ASHE Full-time weekly basic pay: lowest decile £405.80, median £665.10, top decile £1,015.10\*
- Payline 70 agreements (102 including subsidiary agreements), more than 240,000 covered

### *Commentary*

High coverage levels were to be expected given the sector's history of unionisation and bargaining, but ASHE suggests that 96% of public administration jobs in Scotland are covered by collective bargaining. With 71% of the sector's 155,000 workforce said to be covered by a national or industry level agreement (111,000) sectoral bargaining dominates the sector.

### *Sectoral bargaining*

Agreements counted as having a sectoral reach in Scotland's public administration sector are those that apply in local authorities, the police service, fire and rescue, and public sector prisons (all now Scotland-wide employers delivering localised services).

### *Local authorities*

The biggest group of sectoral agreements in public administration are the Local Authority agreements negotiated with COSLA:

<sup>28</sup> <https://www.gov.uk/government/publications/cac-outcome-gmb-mears-facilities-management>

- Local Authorities (Scotland) SJC: COSLA/GMB, UNISON & Unite
  - Local Authorities (Craft Scotland) SJNB: COSLA/CSEU, GMB & Unite
  - Local Authorities (Chief Officers & Chief Executives) SJNC: COSLA/ALACE, GMB, UNISON
- **About:** COSLA is involved with four separate bargaining groups in the local government workforce, including the SNCT tripartite agreement for schoolteachers (see Education). The SJC “Red Book” Single Status Agreement allows more local variations in terms and conditions than its England and Wales equivalent. A number of local authorities have developed arms-length external organisations (ALEOs) which are not bound by national agreements but in many cases apply them. Parts of the local council workforce have been allocated to work as part of a local Health and Social Care Partnership/ Integration Joint Board, but they are still council employees and should be counted within the coverage of these COSLA/union agreements. Some councils (Glasgow and Moray) and some ALEOs have their own agreements and do not follow these COSLA/union agreements (see below).
  - **Parties:** COSLA was established in 1975, but evolved from the Convention of Royal Burghs, one of the oldest representative bodies in Europe. The Employers' Team negotiates salaries, wages and conditions of service for local government employees in Scotland with GMB, UNISON and Unite, and deals with industrial relations and employee development issues for all 32 Scottish local authorities (occasionally one or two opt out but remain members of what is known as the Employers’ Function, national collective pay bargaining).
  - **Coverage:** the figures below represent coverage of these agreements, within and beyond councils’ own direct workforces, in 30 out of 32 council areas, as of March 2021. They include almost 4,000 staff in arms-length external organisations (ALEOs) that apply these agreements (see Part 4) as well as council employees working alongside NHS staff as part of a Health and Social Care Partnership or Integration Joint Board.
    - SJC Scottish Joint Council agreement: at least 158,214 workers (this total will include school support staff working in the education sector)
    - SJNB craft workers’ agreement: at least 3,112 workers<sup>29</sup>
    - SJNC Chief Officers and Chief Executives agreement: at least 388 workers
    - Non-teacher employees on other terms and conditions: at least 24,787 workers

#### Example: Scottish Joint Council

- **Wage rates 01/04/2020:** Spine point 18 £18,027 (Scottish Local Government Living Wage) through to Spine point 123 £84,965
- **Hours:** vary locally (e.g. 35 or 37)
- **Annual Leave:** varies locally (e.g. from 25, 26 or 27 days plus public holidays)
- **Sick pay:** service related, from 5 weeks full pay/5 weeks half pay to 26 weeks full pay/26 half pay

#### *Other agreements in local government*

Almost 25,000 non-teacher council employees are not employed on terms set by one of the three relevant national agreements. A large proportion, 21,479, are employed at Glasgow City Council which has operated a Pay and Grading Structure for all workers since 2006. The remainder include:

- 2,413 "manual" staff at Moray Council
- 346 TUPE’d staff and Invigilators at Aberdeenshire Council
- 252 employees on NHS Agenda for Change terms at Highland Council

---

<sup>29</sup> The Mears Group has a strategic partnership with North Lanarkshire Council in a housing and non-housing repairs and maintenance contract said to provide employment for 500 people. It recently (March 2021) announced plans to take on 20 new apprentices (bringing its total to 170). It is believed to follow the craft workers’ agreement, which would increase total coverage for that agreement.

- 104 at Shetland Islands Council
- 102 at Orkney Islands Council
- 30 modern apprentices at Scottish Borders Council

### Police

In contrast with the Pay Review Body system for police officers in England and Wales, Police Scotland still negotiates pay. Although there are nominally separate pay determinations (for federated ranks, cadets, superintendents/chief superintendents and chief officers) they flow from a single negotiating process.

- **About:** Police Officer pay is negotiated through the Police Negotiating Board and ratified by Scottish Ministers. Police officers' terms and conditions are a mixture of 'rights' as provided by legislation and conditions negotiated through the (PNB) or otherwise agreed by the Scottish Ministers (who make regulations as to the governance, administration and conditions of service in particular about pay, allowances and expenses, hours of duty, public holidays and leave). Police officers are not employees in the normal sense and most statutory employment rights do not apply to office holders such as police officers. Police Scotland, established in April 2013, is responsible for policing across the whole of Scotland, with 13 local policing divisions supported by a number of national specialist divisions.
- **Parties:** The PNB membership includes Police Officer Staff Associations, Police Scotland, the Scottish Police Authority and Scottish Government. The Scottish Police Federation (SPF) represents constables, sergeants, inspectors, chief inspectors and special constables.
- **Coverage:** The Scottish Police Federation represents over 17,000 members while the Association of Scottish Police Superintendents (ASPS) describes itself as a staff association representing approximately 150 members. Police Scotland says there were 17,234 full-time equivalent (FTE) police officers in Scotland on 31 December 2020.
- **Wage rates 01/04/2020:** Constable (commencing) £26,037 pa through to Chief Inspector Pay Point 3 £62,001 pa
- **Annual Leave:** 30-41 days (28-39 plus 2 public holidays) expressed in hours (longer for the most senior grades)

There are separate bargaining arrangements for Police staff.

- **About:** The Scottish Police Authority (SPA) was established at the same time as Police Scotland and it is responsible for maintaining policing, promoting policing principles and the continuous improvement of policing in Scotland. It is the legal employer of all police staff in Scotland. Some are employed in functions that sit as part of the SPA, such as Forensics, but the majority fall under the direction and control of the Chief Constable and work in departments that are part of Police Scotland.
- **Parties:** Scottish Police Authority/UNISON & Unite
- **Coverage:** The SPA employs over 5500 police staff across Scotland.
- **Wage rates 01/04/20:** Minimum salary £19,798
- **Annual Leave:** 34-40 (28 to 34 days plus 6 public holidays)
- **Sick pay:** Service related, from 5 weeks full pay/5 weeks half pay to 26 weeks full pay/26 half pay

### Fire and rescue

The Scottish Fire and Rescue Service was in the process of negotiating its own firefighters' agreement for Scotland as this report was written, a support staff agreement was already in place.

- Firefighters: SFRS/FBU
- Support staff: SFRS/UNISON and Unite

- **About:** Pay, terms and conditions for all uniformed staff including those on the Retained Duty System (RDS) are covered by UK-wide firefighters' agreement and would be covered by a discrete SFRS agreement if and when one is agreed. Trade unions recently voted to defend the right to collectively negotiate pay and conditions, after Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) recommended that a pay review body be imposed on firefighters and control staff.
- **Parties:** Uniformed staff are represented by the FBU, support staff by UNISON and Unite. The Retained Firefighters Union (RFU), now re-named as the Fire Rescue Services Association (FRSA), is recognised for consultation only and not negotiation (according to the FBU it has very few members).
- **Coverage:** Uniformed 6,700 including RDS and control, and support staff 790 (& 300+ volunteers)
- **Support staff wage rates 01/04/2020:** grade 1 £17,127/£18,374 pa through to grade 10 £55,848-£60,141pa
- **Support staff hours:** 35
- **Annual Leave:** 26 to 32 days plus 6 public holidays
- **Support staff sick pay:** Service related, from 5 weeks full pay/5 weeks half pay to 26 weeks full pay/26 half pay

### Prisons

As with Police Scotland, the Scottish Prison Service has its own negotiated agreement which does not rely on Pay Review Body recommendations.

- **About:** A partnership agreement operates in the SPS.
- **Parties:** The POA is recognised for operational SPS staff; unions recognised for other staff are PCS, Prospect, and PGA (with some joint recognition for small sections of staff).
- **Coverage:** Of around 4,500 staff in the SPS, the operational staff group is around 3,500.

### Other agreements

Bargaining within Scotland's civil service and related sectors is strongly influenced by the Scottish Government's pay policy while its own main bargaining agreement with the FDA, PCS and Prospect covers the Scottish Government core civil service, Scottish Public Pensions Agency, Student Awards Agency for Scotland, National Records of Scotland, Education Scotland, Accountant in Bankruptcy, Office of the Scottish Charity Regulator, Transport Scotland, Scottish Housing Regulator, Disclosure Scotland, Food Standards Scotland, Revenue Scotland, Social Security Scotland and Scottish Fiscal Commission.

UK-level civil service agreements also contribute to collective bargaining coverage in Scotland: the HMRC agreement covers over 7,500 staff but others cover far fewer.

There are two privately-run prisons where pay and conditions are negotiated by Community (HMP Kilmarnock, run by Serco, and HMP Addiewell run by Sodexo). The Kilmarnock contract is due to run out in 2024 and the current Scottish Government has already committed to taking the prison into public ownership. The POA has already agreed with SPS that when that happens it will continue to be recognised for collective bargaining purposes for all public sector prisons, including HMP Kilmarnock. It is tangible evidence of the links between Government control and bargaining.

## Education

### Sector profile

- Industry group P, SIC 85



- Employee workforce jobs 190,986
- LFS bargaining coverage 24.5%, equivalent to over 46,500 employees
- LFS union presence 22.8%, equivalent to 43,500 employees
- ASHE bargaining coverage 91.9%, equivalent to 175,500 jobs
- ASHE Median full-time paid basic hours worked: 35.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £10.74, median £19.17, top decile £29.27\*
- ASHE Full-time weekly basic pay: lowest decile £382.60, median £668.10, top decile £1,024.50\*
- Payline 10 agreements (30 including subsidiary agreements), more than 120,000 covered

### *Commentary*

Employers in the sector recognise the role played by sectoral bargaining, but individual employees taking part in the LFS household survey seem much less certain, and were equally doubtful about the presence of union members in their workplace.

### *Sectoral bargaining*

The UK-wide JNCHES higher education agreement (see below), Scotland's negotiated schoolteachers' agreement (SNCT) and its quite recently introduced further education bargaining arrangements add up to a dominant model for sectoral bargaining, spanning the public and nominally private HE and FE sectors.

Arrangements for prison education are not known. School staff are covered by the SJC local authority employees' agreement (see above). Some sectoral agreements that operate in England do not apply in Scotland, namely the Youth Work JNC and Sixth Form Colleges agreements for teachers and support staff.

The SNCT School Teachers' agreement has the biggest coverage in the education sector and is negotiated, not decided by Government on the basis of a review body recommendation.

- **About:** Local authorities are the employers of teachers in Scotland. Their pay, and that of associated professionals including educational psychologists, as defined in the SNCT Handbook, determined through collective bargaining within the Scottish Negotiating Committee for Teachers (SNCT).
- **Parties:** The SNCT is a tripartite body; Teacher Unions (the Teachers' Panel), Employers (COSLA) and Scottish Government. The unions on the Teachers' Panel are EIS, SSTA, NASWUT, Voice Community, SLS and AHDS.
- **Coverage:** Freedom of Information inquiries show that among 30 out of the 32 councils there were 61,702 staff covered by the SNCT agreement in February/March 2021. According to EIS, independent schools have also pitched their pay arrangements to be in-line, if not slightly above, the SNCT pay arrangements, and many will reference SNCT Pay within their own T&Cs. Figures provided to the Association of Educational Psychologists by the Health and Care Professions Council indicate that there were 428 Educational Psychologists registered in Scotland who would be included in this total.
- **Wage rates 18/09/2020:** Main Grade Teacher 0 Probationer £27,498pa through to Quality Improvement Manager £69,669
- **Hours:** 35
- **Annual Leave:** 40 days

The Higher Education New Joint Negotiating Committee for Higher Education Staff (JNCHES) agreement has the second biggest coverage in Scotland's education sector but is part of a larger UK-wide agreement.



- **About:** UK-wide negotiations take place through the Joint Negotiating Committee for Higher Education Staff (JNCHES). UCEA member institutions decide individually whether they will participate in each negotiating round to address the uplift to be applied to the national pay spine, covering their employees below Professor and equivalent. (New JNCHES) is the central committee for multi-employer negotiations and dialogue on pay and pay-related issues.
- **Parties:** UCEA conducts collective pay negotiations with the five HE trade unions - UCU, UNISON, Unite, EIS and GMB. UCEA supports HE institutions by representing their interests as employers and facilitating their work in delivering effective employment and workforce strategies. Membership is open to UK HE providers and associated sector bodies. The UCEA's Scottish Committee provides a forum to inform UCEA and its Board on Scottish Government, Parliamentary and funding issues and for dialogue with Universities Scotland.
- **Coverage:** Existing information suggests that the JNCHES agreement covers 365,000 workers UK-wide including 48,000 in Scotland.
- **Wage rates 01/11/19:** imposed rates of £16,736 through to £62,727
- **Annual Leave:** No national agreement for leave/may not be specified locally but usually 30 days
- **Sick pay:** from 1 month at full pay to 6 months full pay & 6 months half pay depending on service.

There are two separate Scotland-wide agreements in the Further Education sector.

- Further Education Scotland NJNC – lecturers CollegesScotland/EIS
- Further Education Scotland NJNC – support staff CollegesScotland/GMB, UNISON & Unite
- **About:** The National Joint Negotiation Committee (NJNC) was established to jointly agree terms on issues, such as pay and terms and conditions of employment in Scotland's colleges in partnership with the trade unions. Colleges Scotland was awarded funding from the Scottish Funding Council's Strategic Funds, to establish the Colleges Scotland Employment Services team in order to support activities related to the implementation of national bargaining across the college sector. The NJNC currently covers 21 out of the 26 FE colleges (it is understood that Newbattle Abbey is joining and North Highland is about to); others are encouraged to mirror the agreement's terms. The NJNC has been able to harmonise terms and conditions, and a job evaluation process is about to be completed but a new pay structure is still ahead.
- **Parties:** EIS, GMB, UNISON and Unite negotiate with Colleges Scotland, the forum through which national bargaining is being implemented. The 26 colleges operate in 13 regions across Scotland (that total includes Newbattle Abbey College and Sabhal Mòr Ostaig UHI which sit out-with regional arrangements; while SRUC is a higher education institution which delivers further education provision).
- **Coverage:** The total for FTE staff is 10,942, made up of support staff (51%) and lecturing staff (49%).

## Health and social care

### *Sector profile*

- Industry group Q, SIC 86-88
- Employee workforce jobs 352,726
- LFS bargaining coverage 28.7%, equivalent to over 102,000 employees
- LFS union presence 38.9%, equivalent to 137,000 employees
- ASHE bargaining coverage 75.6%, equivalent to 266,000 jobs
- ASHE Median full-time paid basic hours worked: 37.5 hours
- ASHE Full-time hourly pay excluding overtime: lowest decile £9.60, median £16.19, top decile £27.32\*
- ASHE Full-time weekly basic pay: lowest decile £356.50, median £534.90, top quintile £799.60
- Payline 51 agreements (88 including subsidiary agreements), around 177,000 covered

### Commentary

The LFS statistic for bargaining coverage in health and social work, 28.7% is equivalent to 102,000 employees, when 171,577 are employed by NHSScotland. That contrasts with the ASHE figure of 75.6% (equivalent to 266,000). The local government SJC agreement could be affecting terms and conditions in some outsourced social care contracts, but corporate arrangements are more likely to apply.

The Scottish Government's decision in May 2020 to provide additional funding to ensure all social care workers received enhanced sick pay where they had a positive COVID-19 test could be a precursor to the national bargaining and employment framework proposed by the Feeley Commission (see page 84).

### Sectoral bargaining

- NHS Scotland (Agenda for Change) NHSScotland/BDA, CoP, CSP, GMB, RCN, SoR, UNISON & Unite
- NHS Doctors & Dentists (Scotland) NHSScotland/BDA, BMA & HCSA
- **About:** NHSScotland staff work across 14 territorial NHS Boards, seven Special NHS Boards and one public health body. Each Health Board is an individual employer but they are all expected to apply terms and conditions in the same manner, as they are a guide for the whole NHS (unlike England where employers have a lot more freedom).
- **Parties:** Within NHSScotland the Scottish Terms and Conditions Committee (STAC) is a partnership organisation which exists to collectively negotiate terms and conditions other than those which relate exclusively to recognised separate collective bargaining arrangements. STAC is made up of an NHS employer side and a trades union and professional representative organisation side (BDA (dietitians), CoP, CSP, GMB, RCN, SoR, UNISON, Unite, BDA (dentists), BMA and HCSA). Each side has its own secretariat, and the Committee is jointly chaired by a representative of each side.
- **Coverage:** NHSScotland employs a total of 171,577 (147,309 FTE) made up of 15,877 medical/dental staff and 155,700 non-medical/non-dental staff. FOI enquiries suggest that over 80,000 are employed in 12 of the 14 territorial boards and the Scottish Ambulance Service. Large numbers are now working alongside council staff through Health and Social Care Partnerships/Integration Joint Boards.
- **Wage rates 01/12/2020:** Band 2 £18,786 pa £20,812 pa through to Band 9 £103,584 pa £108,322 pa
- **Hours:** 37.5
- **Annual Leave:** 35-41 (27 to 33 days plus 8 public holidays)
- **Sick pay:** from 1 week full pay/2 weeks half pay, to 6 months on full pay and 6 months on half pay

### Table 12: NHSScotland workforce

- |   |                                    |
|---|------------------------------------|
| ○ medical (hospital, community and public health services) 15,145 | ○ other therapeutic services 5,977 |
| ○ dental (hospital, community and public health services) 732     | ○ personal and social care 1,876   |
| ○ medical and dental support 2,459                                | ○ healthcare science 6,972         |
| ○ nursing and midwifery 72,352                                    | ○ ambulance support services 2,779 |
| ○ allied health professions* 14,432                               | ○ administrative services 30,428   |
|   | ○ support services 18,447          |
|   | ○ unallocated /not known 335       |

\* Art Therapists, Podiatrists, Dietitians, Drama Therapists, Music Therapists, Occupational Therapists, Orthoptists, Paramedics, Prosthetists and Orthotists, Physiotherapists, Radiographers, and Speech and Language Therapists

Only staff employed by NHSScotland are included in these figures; staff working “as and when required” are excluded e.g. nursing bank and agency staff or outsourced domestic staff. FOI inquiries point to there being more than 12,000 bank staff on Agenda for Change or Doctors’ and Dentists’ terms and conditions.

NHSScotland’s sectoral bargaining arrangements provide an opportunity for a range of smaller, specialist unions to represent their members employed in the NHS.

- all members of the British Orthoptic Society in Scotland;
- most members of Royal College of Midwives (some are lecturers who may have dual union membership, or left the profession, and one or two in private companies);
- BDA says 99% of its dietitian members are in NHSScotland under Agenda for Change;
- Most members of the Chartered Society of Physiotherapy (CSP); the union also has members in charities and in hospices and although it has no negotiating rights they will often “sort of mirror” Agenda for Change pay rates; it also takes part in bargaining at Capability Scotland, and has a few members in higher education, often with joint membership with UCU who have the negotiation rights. Its self-employed members (including some working for large employers’ in-house Occupational Health services) are not covered by collective bargaining, and it only has representation for members in private hospitals;
- Over half of Royal College of Podiatry (RCPod) members in Scotland work NHSScotland ; its non-NHS members are mainly in private practice, with some in Higher Education, retail, the MOD, the voluntary sector and in research.

#### *Health and Social Care Partnerships/IJBs*

These IJB/HSCP bodies have become very important and large numbers of council and NHSScotland staff work through them, but formally they are not supposed to have any employees (Highland is different, using a lead agency model, see below).

The Clackmannanshire and Stirling Health and Social Care Partnership Strategic Workforce Plan indicates that its workforce included 2,580 staff from NHS Forth Valley, along with 301 from Stirling Council and 225 from Clackmannanshire Council (the up-to-date council figures are 360 and 238 respectively).

So, where employers (including the HSCPs themselves) give staff numbers, those should be counted within council and NHS totals. Derek Feeley’s *Independent Review of Adult Social Care* (see page 84) calls for the law to be changed so that IJBs are reconfigured to employ staff, hold assets and contracts, including the GMS contract and employment of directly employed independent contractors in health.

NHS Highland, as lead agency for adult social care in the Highland HSCP, directly employs 295 employees on Highland Council terms and conditions (with approximately another 100 on a bank/relief contract). It continues to take the opportunity to transfer employees to Agenda for Change terms and conditions where possible. Conversely, Highland Council has 252 employees on Agenda for Change terms and conditions.

### Contractors to the NHS

The potential exists for NHS agreements – Agenda for Change in particular – to extend beyond NHSScotland. Examples linked to NHS Lanarkshire include Prospect/Serco (with 315 AFC staff) and Summit/ISS with 424.

### Social care

The independent social care sector employs 101,310 employees in 2,913 registered care services (see Table 13). That is an average of 35 employees each, so it is a big employer with workers scattered across a large number of sometimes small workplaces, with no sector bargaining and not a great deal of employer level bargaining in place (see below).

The situation might otherwise be seen as analogous to the housing sector, but for the existence of the EVH agreement together with collective bargaining at housing associations not party to the EVH agreement (see page 73). Plans set out in the Feeley Commission report (see below) would radically change bargaining and conditions of employment in the sector.

**Table 13: Social care workforce**

Service	Sector	Employed	Registered Care Services
Care at Home & Housing Support	Private	18,700	639
Care at Home & Housing Support	Voluntary	32,830	1,125
Care Homes for Adults	Private	38,150	681
Care Homes for Adults	Voluntary	8,230	257
Adult Day Care	Private	460	41
Adult Day Care	Voluntary	2,940	170

2019 <https://data.sssc.uk.com/component/ssscvisualisations/>

ScottishCare was unable to provide information on its members for this report, and had no data on which employers have collective bargaining arrangements with trade unions. It is a member of the Scottish Government’s Fair Work in Social Care group, has been involved in the Fair Work Convention, and says it continually engages with issues of worker’s voice with the Scottish Government, COSLA and trade unions.

The Feeley review<sup>30</sup> noted the 2019 re-naming of the Social Care Living Wage Implementation Group as the Fair Work in Social Care Implementation Group, which would be focussing on implementation of the report’s recommendations. It is made up of representatives of the Scottish Government, COSLA, Integration Authorities, third and independent sector providers and the Scottish Trade Union Congress.

Recommendation 46 in that report calls for the establishment of a national forum comprised of workforce representation, employers, IJBs and the Scottish Government to advise the National Care Service on workforce priorities and to take the lead in creating national sector level collective bargaining of terms and conditions. The social care workforce in Scotland is so notably disadvantaged because it is highly gendered. The sector is about 83% female: “Were it 83% male, it simply would not be marginalised and undervalued as it is”.

<sup>30</sup> The Independent Review of Adult Social Care in Scotland, 3 February 2021, chaired by Derek Feeley

The report calculates that increasing the Real Living Wage to £9.50 per hour for frontline adult social care staff would cost £15.5m p.a including staff working in care homes, home care and housing support, day-care, adult placement services, personal assistants and sleepovers. Extending the Real Living Wage to include auxiliary staff working in adult services would cost an additional £4m p.a. It also acknowledged that trade unions representing the workforce are keen to exceed the Real Living Wage and are calling for an uplift to £15 per hour.

The Feeley commission made a number of proposals that, taken together, would change the sector's bargaining profile, potentially expanding bargaining coverage in Scotland by up to 100,000 more, creating the third-largest collective agreement in Scotland after the local authorities' SJC and NHSScotland Agenda for Change.

- an ethical approach to commissioning<sup>31</sup> (citing local authorities that have adopted the UNISON Ethical Charter on social care commissioning);
- a sector level body to take forward the Fair Work recommendations in partnership, to take the lead in creating national sector level collective bargaining of terms and conditions;
- creation of a National Care Service<sup>32</sup>, to provide a mechanism for delivery of Fair Work in social care and support;
- a national job evaluation exercise for work in social care, taking account of skills, qualifications, responsibilities and contribution;
- national minimum terms and conditions as a key component of new requirements for commissioning and procurement by Integration Joint Board;
- specific priority given to pay, travel time, sick pay arrangements, training and development, maternity leave, progression pathways, flexible pathways and pension provision;
- national evaluation of terms and conditions to be undertaken to inform these minimum standards, and reviewed as required;
- a national organisation for training, development, recruitment and retention for adult social care support, with a Social Work Agency for oversight of professional development;
- national oversight of workforce planning, respecting the diversity and scale of employment arrangements while improving resilience and mutual support;
- Integration Authorities (under the Public Bodies (Joint Working) (Scotland) Act 2014) to be reformed to take full responsibility for commissioning and procurement, with budgets currently distributed via Local Authorities and Health Boards to be allocated directly by the Scottish Government; and
- a National Integration Joint Board to agree strategy and priorities.

#### *Other agreements*

Payline includes 11 employer-level agreements in residential care with numbers covered in Scotland (where known) ranging from just over 30 to over 1,500 (Quarriers) and totalling around 3,500.

#### **Cornerstone: recognition in social care**

With a network of branches across Scotland, Cornerstone Community Care provides tailored and individualised care packages through care homes, day centres and in peoples' own homes, including

---

<sup>31</sup> Page 73 of the report

<sup>32</sup> Page 85 of the report

a Big Lottery-funded 'Local Cornerstone' strategy (getting rid of traditional structures and creating a network of self-organised teams).

UNISON was previously recognised by the employer for over 24 years, but Cornerstone withdrew from that agreement on 28 November 2018, blaming the union's "confrontational approach on several occasions" and suggesting that its relationship with the union was no longer sustainable. That led to a dispute and an attempt by the employer to involve the Acas advisory service.

Between 6 March 2019 and 14 January 2020 the CAC dealt with an application from UNISON for recognition for a proposed bargaining unit covering approximately 1,500 out of a total of 2,100 staff, within which the union said it already had about 800 members (its membership having increased by 200 since its recognition campaign started)<sup>33</sup>. Across various locations in Scotland it would include all employees with the exception of relief staff, seasonal staff, foster carers, shared-live carers, fixed term contract staff, the senior leadership team, and the Cornerstone Foundation.

The employer challenged UNISON's membership figures and its proposed bargaining unit (complaining that it reduced coverage to that defined in the previous voluntary agreement, excluding over 500 workers; was not compatible with effective management; created fragmentation; and contradicted Scotland's 2016 Fair Employer Framework.

As if speaking up for excluded staff, the employer said 91% of respondents to an internal survey "supported all employees to be included if the union recognition was adopted". Neither did it like coverage of the campaign in the UNISON Scotland Newsletter (18 January 2019) which referred a possible financial claim against the employer "worth £4,000 to every member".

For its part the union had lodged early conciliation claims with Acas to address hostilities with members who openly supported the Union, disciplining of union stewards on "trumped up" performance issues, and anti-trade union communication from the employer discouraging its workers from supporting the Union. It added that a combination of low pay and low hours placed many workers in 'in-work poverty' so trade union membership was considered unaffordable by some, but they nevertheless supported trade union recognition as the means by which their terms and conditions could be improved.

Based on membership and other checks the CAC concluded that UNISON's application should be accepted. However it rejected the union's proposed bargaining unit, and said the bargaining unit should be all employees including fixed-term contract staff and the Cornerstone Foundation, with the exception of relief and other specific staff groups mentioned above.

At that point the application was withdrawn, and a new voluntary recognition agreement was concluded on 5 March 2020, covering around 1,900 workers. As described in Cornerstone's *Annual Review 2019-2020* it adopted the principles of the Scottish Government's Fair Work Convention Framework, "embedding the Fair Work dimensions into collective bargaining and partnership working arrangements". It provided for trade union recognition and facilities, negotiation and consultation, and an agreed channel for dealing with any matters in dispute.

---

<sup>33</sup> <https://www.gov.uk/government/publications/cac-outcome-unison-and-cornerstone-community-care> and [https://www.cornerstone.org.uk/assets/000/000/380/Annual\\_Review\\_2019-2020\\_original.pdf?1607086772](https://www.cornerstone.org.uk/assets/000/000/380/Annual_Review_2019-2020_original.pdf?1607086772)

“The spirit and intent is to promote and maintain the best possible open, respectful and healthy employment relationship between all Cornerstone’s employees, relief workers and UNISON. The agreement will help both organisations work towards a common objective that drives efficiency, effectiveness and sustainability whilst promoting security of employment and advancement of employees (and workers)”.

The Review quoted Mike Kirby, UNISON Scottish Secretary: “This agreement establishes new working relations with Cornerstone. We look forward to a constructive engagement which will benefit UNISON members and the whole workforce.” Under the new agreement, both organisations pledge to work collaboratively to highlight the issues facing the social care sector; to improve the working conditions for care workers across Scotland and how care is commissioned.

Alongside its new agreement, Cornerstone also has an Engagement Forum, capable of pro-actively gathering colleagues’ views, suggesting and implementing related changes for a happier workforce; keeping colleagues up to date about “Perks at Work”, policy and legislative changes, liaising regularly with the local Engagement Forums. It led to the rolling out of a network of Health and Wellbeing champions across all branches, and the implementation of electronic payslips.

## Art, culture and recreation

### *Sector profile*

- Industry group R, SIC 90-93
- Employee workforce jobs 73,695
- LFS bargaining coverage n/a
- LFS union presence n/a
- ASHE bargaining coverage 40.1%, equivalent to 29,500 jobs
- ASHE Median full-time paid basic hours worked: 37.0
- ASHE Full-time hourly pay excluding overtime: lowest decile £8.90\*, median £12.02\*, top quartile £16.43\*
- ASHE Full-time weekly basic pay: lowest decile £326.50\*, median £437.90\*, 7<sup>th</sup> decile £547.00
- Payline 42 agreements (50 including subsidiary agreements), more than 7,800 covered

### *Commentary*

There is no Labour Force Survey data for this sector but ASHE suggests that 40.1% of sector employees (equivalent to 29,500 jobs) are covered by collective bargaining: 12.3% by national or industry bargaining, 21.0% at organisational level and 5.2% at workplace level. These figures would not include the many self-employed workers in this sector.

### *Sectoral bargaining*

There are sectoral agreements in horse racing and the creative industries, while the Scottish Artists Union publishes “typical” pay rates that those engaging an artist could refer to.

Most of the employer associations involved have separate but parallel agreements with unions active in the sector (like Equity, the Musicians’ Union and Prospect-BECTU). The Association of Circus Proprietors and the Showmens Guild of Great Britain are both “listed” by the Certification Officer but we haven’t yet established if they are connected to any collective agreement applicable in Scotland.



## Racing

The horse racing industry includes the Racing Staff NJC agreement

- **About:** The National Joint Council for Racing Staff Memorandum of Agreement provides a Racing Industry Minimum Rates of Pay Structure and certain standard conditions of employment for racing staff employed by trainers in the racing industry.
- **Parties:** The National Trainers Federation and the National Association of Racing Staff. The NTF has 474 GB members (racehorse trainers holding a current license under the British Horse Racing Rules of Racing). It represents and protect trainers' interests and advises on all aspects of employment law and contractual disputes. It is also involved in training (the Stable Staff Programme run by the British Racing School and the National Horseracing College). NARS has 7 racecourse inspectors who travel across the UK to inspect all racecourses, flat and jumps from a racing staff perspective.
- **Coverage:** A Racing Foundation survey in 2017 suggested that the industry had 6,240 staff UK-wide, but more recent data indicates that in Scotland there are 16 jockeys, 24 trainers and 250 other stable staff (while the industry sustains a further 110 FTE jobs through secondary economic activity). Employment is concentrated in the Scottish Borders which has the fifth highest number of jobs relating to horse ownership per head in Britain (17 jobs per 100,000 people compared to an average of one job per 100,000 people for the whole of Scotland).
- **Wage rates:** 01/04/2020: Scale 1- Trainee 18–20 £258.00 pw through to Scale 6 - Supervisory staff/Senior management £375.20 pw
- **Hours:** 40
- **Annual Leave:** 30-32 (22-26 days plus 8 public holidays)
- **Sick pay:** SSP up to 6 months service then 4 weeks at full pay (3 waiting days unless accident at work)

## Creative industries

### Orchestras

The **Association of British Orchestras (ABO)** agreement covers casual Concert/Freelance staff.

- **About:** The ABO negotiates what the Musicians' Union describes as an umbrella agreement. Negotiated annually, it covers issues relating to fees and allowances for freelance musicians. ABO works in partnership with the MU on a range of issues including better working relations between managers and musicians.
- **Parties:** The ABO represents the collective interests of professional orchestras, youth ensembles and the wider classical music industry throughout the UK.
- **Coverage:** ABO has 171 GB members. At a UK level the MU Orchestral section has around 3,000 members, two thirds of them self-employed/freelance (who might potentially be covered by the ABO agreement). The ABO agreement is applied in its standard form by the Scottish Chamber Orchestra.

### Independent Theatre Council (ITC)

The Independent Theatre Council (ITC) has separate agreements with Equity, Unite and the Writers Guild of Great Britain (WGGB).

- **About:** ITC negotiates minimum rates of pay, on behalf of its members, with the appropriate unions for: administrative staff, choreographers, designers, directors, fight directors, performers, stage managers and writers. It does not have collective national agreements for everyone (some roles are not represented by unions) but in those cases an appropriate rate could be calculated by comparing a role with someone for whom there is a union rate, to see



how important they are, and scale the rate accordingly (e.g. a composer for a musical may be doing just as much as a writer so should get a similar level of remuneration, a composer/sound designer composing something that is original but in the background should probably be offered less).

- **Parties:** The ITC represents, supports and develops the professional performing arts in the UK, describing itself as a community of over 450 companies and producers. UK Theatre is a member of ICT but it has its own distinct rates of pay (see below).
- **Coverage:** The ITC describes itself as a community of over 450 companies and producers, the number of workers in Scotland covered by its agreements is not known.

### *UK Theatre*

There are a number of agreements negotiated between UK Theatre and BECTU (part of Prospect), MU and Equity, covering musicians, choreographers and ballet that cover jobs often likely to be self-employed or freelance.

- **About:** UK Theatre says its organisation members can access non-UK Theatre negotiated rates which form part of agreements that have not been negotiated by UK Theatre: TV Excerpt Rates for TV Broadcasts; BPI/MU; Equity Singers Rate Card; and PACT/Equity.
- **Parties:** UK Theatre Association (UK Theatre) is a member of the Independent Theatre Council (ITC) but has its own set of agreements with Equity, the MU and BECTU. SOLT stands for Society of London Theatres and is closely connected with UK Theatre.
- **Coverage:** This figure has not been confirmed.
- **UK Theatre (BECTU) Wage rates 01/04/20:** Grade 5 (21-24 years of age) £8.20 ph through to Grade 1 £8.81ph
- **Hours** 39
- **Session Musicians (BPI/MU) 01/01/19:** negotiated rates include, for example, a Non-Classical session fee of £130 for a standard audio or audio-visual session (maximum 3 hours); Classical session fees of £92.96 for Section Principal, £85.51 for Principal, £81.45 for Sub-principal and £77.50 for Rank & File.

### *Artists*

The Scottish Artists Union (SAU) publishes a set of “typical rates of pay which members may wish to use as a guide when negotiating payment for their work on short-term contracts, sessional work and residencies that are paid on a self-employed status basis”. These potentially apply to over 1,000 members/1,500 “fellow artists”, covering a wide range of freelance and short contract employments from consultancy work, project planning and development, to all aspects of workshop delivery (set up, execution, clear up) and other freelance activity. They exclude artist’s expenses for a specific project and VAT where relevant.

### **Other agreements**

Although the many sectoral agreements (above) play an important role in the sector, unions do strike agreements with individual employers. Alongside the ABO agreement, for example, the MU has employee agreements with the following orchestras (regular workforce numbers are readily available because each orchestra has a core players list):

- the BBC Scottish Symphony Orchestra agreement applies to 78 workers;
- the Royal Scottish National Orchestra (RSNO) applies to 88 workers;
- the Scottish Opera agreement applies to 53 workers; and

- the Scottish Ballet Orchestra is an entirely freelance engagement that does not follow ABO terms, covering a workforce of 47.

## Other personal services

### *Sector profile*

- Industry group S, SIC 94-96
- Employee workforce jobs 60,782
- LFS bargaining coverage 63.6%, equivalent to over 38,500 employees
- LFS union presence 63.6%, equivalent to over 38,500 employees
- ASHE bargaining coverage 20.3%, equivalent to over 12,000 jobs
- Payline 12 agreements (13 including subsidiary agreements), over 1,100 covered

### *Commentary*

The Labour Force Survey suggests a high level of bargaining coverage, much higher than ASHE.

### *Sectoral bargaining*

No sectoral agreements have been identified but the National Hair & Beauty Federation (NHBF) is listed by the Certification Officer and the Incorporated Guild of Hairdressers, Wigmakers and Perfumers is scheduled as an employers' association (in both cases implying an employment relations role).

### *Bargaining in other services*

Payline identifies a dozen collective agreements in the sector, the biggest being National Trust Scotland (Prospect's agreement covers everyone below senior management including seasonal staff, about 600 in all) and SPCA (where 350 are covered by collective bargaining).

## Part 4: Background data

**Table 14: LFS Scotland data**

<b>Labour Force Survey</b> proportion of employees whose pay and conditions are agreed in negotiations (collective agreement) between the employer and a trade union (Scotland 2019)					
BEIS estimates from the LFS. Per cent, not seasonally adjusted	<b>All employees</b>	<b>Male</b>	<b>Female</b>	<b>Full-time</b>	<b>Part-time</b>
<b>All employees</b>	38.1	34.6	41.5	38.9	36.0
<b>Age bands</b>					
16 to 24	18.8	17.0	20.7	24.7	10.5
25 to 34	34.3	32.0	36.4	35.7	27.6
35 to 49	41.6	36.9	46.2	40.2	46.1
50 plus	43.8	40.2	47.1	43.9	43.4
<b>Workplace size</b>					
Less than 50	25.3	19.6	30.1	26.1	23.4
50 or more	50.3	47.3	53.5	49.5	53.2
<b>Sector</b>					
Private	20.8	23.0	18.1	21.8	18.0
Public	72.8	71.9	73.2	73.9	69.7
<b>Occupation</b>					
Managers, Directors And Senior Officials	22.7	23.9	21.1	22.8	22.1
Professional Occupations	57.3	47.2	64.8	55.0	66.8
Associate Professional And Technical Occupations	37.9	34.1	42.3	37.5	40.5
Administrative And Secretarial Occupations	39.3	44.6	37.4	44.1	31.9
Skilled Trades Occupations	19.7	20.9	13.2	19.8	18.3
Caring, Leisure And Other Service Occupations	40.9	52.1	38.0	40.4	41.7
Sales And Customer Service Occupations	26.1	20.9	29.1	28.9	23.7
Process, Plant And Machine Operatives	38.8	41.4	15.5	40.0	29.4
Elementary Occupations	27.5	30.1	24.6	33.6	20.6
<b>Managerial status</b>					
Manager	36.8	33.3	41.3	36.7	37.1
Foreman or supervisor	41.7	35.1	48.0	39.2	50.9
Not manager or supervisor	37.9	34.8	40.6	39.7	34.3
<b>Industry</b>					
Agriculture; forestry and fishing	25.2	26.7	20.4	25.8	17.4
Mining and quarrying	56.0	55.5	58.0	58.2	*
Manufacturing	61.3	67.1	*	64.4	44.9
Electricity; gas; steam and air conditioning supply	22.9	26.0	8.2	23.2	16.6
Water supply; sewerage; waste management and remediation activities	24.1	22.0	25.8	21.7	27.4
Construction	56.4	61.8	29.8	57.9	45.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.6	6.3	6.7	8.8	4.3
Transportation and storage	10.5	11.2	8.8	11.6	*
Accommodation and food service activities	27.7	23.2	33.3	26.6	32.6
Information and communication	37.3	15.1	50.1	29.6	57.8
Financial and insurance activities	17.8	21.7	13.4	19.5	10.9
Real estate activities	11.7	10.6	12.5	11.0	13.4
Professional; scientific and technical activities	67.5	61.3	72.5	64.5	80.0
Administrative and support service activities	72.5	74.2	71.8	76.0	63.6
Public administration and defence; compulsory social security	51.9	50.1	52.3	54.0	47.7
Education	24.5	20.7	37.2	18.2	39.4
Human health and social work activities	28.7	34.4	23.5	33.6	20.5
Arts; entertainment and recreation	*	*	*	*	*
Other service activities	63.6	63.6	*	63.6	*

**Table 15: ASHE Scotland data**

<b>Annual Survey of Hours and Earnings</b> percentage of jobs where pay is set with reference to an agreement affecting more than one employee (collective agreement) (Scotland 2019)						
BEIS estimates from ASHE (percentage): By types of agreement	<b>National or industry</b>	<b>Sub- national</b>	<b>Organisational</b>	<b>Work place</b>	<b>Nat/industry supplemented by sub-national, organisational or workplace</b>	<b>total</b>
Total	30.4	0.4	11.9	5.4	3.5	51.6
<b>Gender</b>						
Male	22.0	*	12.5	6.7	3.2	44.6
Female	37.8	0.6	11.3	4.3	3.7	57.8
<b>Work arrangement</b>						
full-time	29.1	0.4	12.7	6.0	2.9	51.1
part-time	33.3	0.5	10.0	4.2	4.8	52.9
<b>Age group</b>						
16 to 24	16.4	*	11.2	5.6	3.8	37.2
25 to 34	24.9	*	11.4	5.8	3.6	46.1
35 to 49	33.7	0.4	11.5	4.7	3.2	53.5
50 or more	35.5	0.5	12.8	5.9	3.5	58.3
<b>Organisation size</b>						
1 to 9	2.9	*	2.0	9.8	*	15.2
10 to 49	3.2	*	2.7	7.9	*	14.6
50 to 249	5.1	*	7.0	8.3	*	21.5
250 or more	41.3	0.5	15.0	4.2	4.6	65.6
<b>Sector</b>						
public sector	83.7	0.9	7.6	1.9	2.8	97.0
private sector	4.0	*	12.4	7.4	2.5	26.5
not for profit sector	22.3	*	22.9	4.3	11.8	61.5
<b>Occupations</b>						
Managers, directors & senior officials	9.7	*	15.8	5.2	*	32.7
Professional occupations	57.4	*	7.7	2.5	4.2	72.4
Associate professional and technical	29.8	*	14.9	4.8	2.2	52.0
Administrative and secretarial	25.9	*	14.6	5.0	2.6	48.4
Skilled trades occupations	14.8	*	9.3	7.8	*	33.8
Caring, leisure and other service	42.2	*	12.3	4.4	3.3	62.9
Sales and customer service occupations	3.9	*	20.8	5.4	8.1	38.9
Process, plant and machine operatives	13.2	*	12.7	19.0	2.2	47.4
Elementary occupations	24.6	*	5.6	5.4	4.1	40.0
<b>Industry</b>						
Agriculture, forestry & fishing	*	*	*	*	*	29.0
Mining & quarrying	*	*	*	*	*	*
Manufacturing	4.2	*	11.1	18.1	*	33.9
Gas and Electricity	*	*	67.8	*	*	72.0
Water and Sewage	*	*	54.6	*	*	61.2
Construction	13.2	*	3.7	3.3	*	20.6
Wholesale and retail	2.0	*	13.0	6.2	8.4	30.1
Transport & storage	19.7	*	28.5	13.8	*	63.0
Accommodation & food	3.1	*	3.7	3.7	*	11.1
Information & communications	*	*	*	*	*	4.6
Finance	*	*	47.0	*	*	48.5
Real estate	*	*	23.4	*	*	39.2
Professional, scientific and technical	2.4	*	4.0	5.1	*	11.6
Administration services	*	*	7.8	5.4	*	16.7
Public administration	71.7	*	17.2	7.3	*	96.3
Education	72.9	1.9	3.7	*	12.4	91.9
Health and social work	61.5	*	9.6	3.3	1.2	75.6
Art, Culture and Recreation	12.3	*	21.0	5.2	*	40.1
Other personal services	*	*	*	10.4	*	20.3
Other services	*	*	*	*	*	*

Table 16: LFS &amp; ASHE compared (% and number)

Bargaining coverage (%) with corresponding job and employee numbers	NOMIS*	Labour Force Survey 2019 (BEIS)				Annual Survey of Hours and Earnings 2019 (BEIS) jobs											
		Employee jobs	Collective bargaining coverage (employees)	Union presence in the workplace (employees)	Union presence in the workplace (employees)	Collective bargaining coverage all agreement types	National or industry	Sub-national	Nat or industry supplemented by sub-nat, org, or workplace	Organisational	Workplace						
NOMIS base: 2,449,657	2,449,657	38.1%	(881,634)	55.1%	(1,275,014)	51.6%	(1,234,788)	30.4%	(727,472)	0.4%	(9,572)	3.5%	(83,755)	11.9%	(284,767)	5.4%	(129,222)
LFS base 2,314,000	37,293	25.2%	(9,397)	45.3%	(16,893)	29.0%	(10,814)	*	*	*	*	*	*	*	*	*	*
ASHE base 2,393,000	28,994	56.0%	(16,236)	67.2%	(19,483)	*	*	*	*	*	*	*	*	*	*	*	*
All sectors	180,047	61.3%	(110,368)	74.6%	(134,315)	33.9%	(61,035)	4.2%	(7,561)	*	*	*	*	11.1%	(19,985)	18.1%	(32,588)
A: Agriculture, forestry & fishing	13,808	22.9%	(3,162)	36.1%	(4,984)	72.0%	(9,941)	*	*	*	*	*	*	67.8%	(9,361)	*	*
B: Mining & quarrying	18,750	24.1%	(4,518)	37.8%	(7,087)	61.2%	(11,475)	*	*	*	*	*	*	54.6%	(10,237)	*	*
C: Manufacturing	133,688	56.4%	(75,400)	72.2%	(96,522)	20.6%	(27,539)	13.2%	(17,646)	*	*	*	*	3.7%	(4,946)	3.3%	(4,411)
D: Gas and Electricity	339,900	6.6%	(22,433)	10.6%	(36,029)	30.1%	(102,309)	2.0%	(6,798)	*	*	*	*	13.0%	(44,187)	6.2%	(21,073)
E: Water and Sewage	105,003	10.5%	(11,025)	39.9%	(41,896)	63.0%	(66,151)	19.7%	(20,685)	*	*	*	*	28.5%	(29,925)	13.8%	(14,490)
F: Construction	202,733	27.7%	(56,157)	47.5%	(96,298)	11.1%	(22,503)	3.1%	(6,284)	*	*	*	*	3.7%	(7,501)	3.7%	(7,501)
G: Wholesale, retail, veh repair	77,865	37.3%	(29,043)	44.6%	(34,727)	4.6%	(3,581)	*	*	*	*	*	*	*	*	*	*
H: Transport & storage	83,811	17.8%	(14,918)	34.8%	(29,166)	48.5%	(40,648)	*	*	*	*	*	*	47.0%	(39,391)	*	*
I: Accommodation & food	33,481	11.7%	(3,917)	23.1%	(7,734)	39.2%	(13,124)	*	*	*	*	*	*	23.4%	(7,834)	*	*
J Information & communications	175,002	67.5%	(118,126)	85.0%	(148,751)	11.6%	(20,300)	2.4%	(4,200)	*	*	*	*	4.0%	(7,000)	5.1%	(8,925)
K: Finance	185,198	72.5%	(134,268)	85.8%	(158,899)	16.7%	(30,928)	*	*	*	*	*	*	7.8%	(14,445)	5.4%	(10,000)
L: Real estate	155,895	51.9%	(80,909)	75.0%	(116,921)	96.3%	(150,126)	71.7%	(111,776)	*	*	*	*	17.2%	(26,813)	7.3%	(11,380)
M: Professional, scientific, technical	190,986	24.5%	(46,791)	22.8%	(43,544)	91.9%	(175,516)	72.9%	(139,228)	1.9%	(3,628)	12.4%	(23,682)	3.7%	(7,066)	*	*
N: Administration services	352,726	28.7%	(101,232)	38.9%	(137,210)	75.6%	(266,660)	61.5%	(216,926)	*	*	*	*	9.6%	(33,861)	3.3%	(11,639)
O: Public administration	73,695	*	*	*	*	40.1%	(29,551)	12.3%	(9,064)	*	*	*	*	21.0%	(15,475)	5.2%	(3,832)
P: Education	60,782	63.6%	(38,657)	63.6%	(38,657)	20.3%	(12,338)	*	*	*	*	*	*	*	*	10.4%	(6,321)
Q: Health and social work																	
R: Art, Culture and Recreation																	
S: Other personal services																	

\* NOMIS employee jobs include armed forces but excludes activities of households

## Arms-length external organisations (ALEOs)

There is no legal definition of an ALEO, but in October 2018 the Standards Commission for Scotland defined it as any body which is formally separate from a council but is subject to its control and influence. These are bodies through which councils seek to carry out some of their functions, other than on a straightforward contractual basis. They usually take the form of companies or trusts and some register as charities or limited liability partnerships.

According to the Scottish Government, ALEOs are not included in public sector employment statistics and would be classed as being in the private or third sector. The public sector employment statistics produced by the Office for National Statistics (ONS) and Scottish Government are based on the ONS Public Sector Classification Guide which is a list of bodies that have been classified by ONS as public sector bodies within the National Accounts and ALEOs are not included within the list.

Among Scotland's 32 authorities, 6 appear to have no ALEOs: Aberdeenshire, Clackmannanshire, Stirling, Scottish Borders Council, Shetland Islands Council, and West Lothian Council. A further 16 do have ALEOs, a dozen of those provided information on collective agreement coverage. In the examples below there were over 2,500 staff on SJC terms as against 480 staff on other terms. Details have not yet been obtained for South Lanarkshire Leisure and Culture Ltd (the largest ALEO workforce amongst the examples listed below).

- Angus: Angus Alive, 241 staff on SJC terms
- Argyll & Bute: Live Argyll 181 staff on SJC terms
- Dundee City Council: Leisure and Culture Dundee, 384 SJC, less than 5 craft
- East Ayrshire Council: East Ayrshire Leisure, agreement and numbers not known
- East Dunbartonshire Council: Leisure Trust 217 on SJC terms
- Falkirk Council: Falkirk Community Trust 441 on SJC terms
- Fife Council: Resource Efficient Solutions /Fife Resource Solutions, 215 on SJC terms (the authority has 4 other ALEOs for which agreements and numbers are not known: Fife Golf Trust, Fife Coast and Countryside Trust, Fife Cultural Trust and Fife Sports and Leisure Trust)
- Glasgow: does not follow the SJC for its direct workforce, local agreement (see below)
- Highland Council: Highlife Highland, Assessors Joint Valuation Board, Highland Transport Initiative and Highlands of Scotland Tourist Board (agreement and numbers not known)
- Moray Council: Service name not provided, 133 staff not on SJC terms
- North Ayrshire: KA Leisure 362 on SJC terms
- North Lanarkshire: Culture NL 307 on SJC terms and NLL 18 on SJC terms
- Orkney Islands: Orkney Ferries 90 staff on terms negotiated with transport unions
- Renfrewshire Council : Clyde Muirshiel (17 staff) and Clydeplan (9 staff) on SJC terms
- South Ayrshire Council: Service name not provided, 134 on SJC terms, 28 on other terms
- South Lanarkshire: South Lanarkshire Leisure and Culture Ltd has 1,075, supported by a casual worker pool of 756 (see below), 1,740 in total (agreement coverage not known).
- West Dunbartonshire Council: West Dunbartonshire Leisure Trust [TBC] 229 on other terms

Glasgow has the most extensive range of ALEOs: City Building (Glasgow) & City Building (Contracts); City Parking (Glasgow); City Property (Glasgow) & City Property Glasgow (Investments) & City Markets; Clyde Gateway URC & Clyde Gateway Developments Ltd; Glasgow Life (operating name of Culture and Sport Glasgow) & Culture and Sport Glasgow (Trading) CIC (& Glasgow City Marketing

Bureau no longer trading); Jobs & Business Glasgow plus Jobs & Business Glasgow (Property by Jobs & Business Glasgow).

In South Lanarkshire, female and casual staff play an important role at South Lanarkshire Leisure and Culture Ltd (SLLC), one of the biggest ALEOs. The 2019 gender pay gap report indicated that there were 1,566 full-pay relevant employees (staff paid their usual full basic wage and casual workers): 631 male and 935 female. Elsewhere it said it had a staff of 1,075, supported by a casual worker pool of 756. Its People Connect system (which allowed staff to apply for annual leave, request holidays, view payslips or do online training) had over 1,900 users.

SLLC has partnership working in place and under its Service Level Agreement with South Lanarkshire Council “we agree to national discussions and negotiations, where appropriate, by SLC on behalf of the Trust”. Its 2010 Transfer Agreement covered the transfer and pension arrangements (LGPS).

“The Trust supports the system of collective bargaining and believes in the principle of solving employee relations problems by discussion and agreement. For practical purposes this can only be conducted by representatives of the employers and of the employees. If collective bargaining of this kind is to continue and improve for the benefit of both, it is essential that the employees’ organisations should be fully representative. The Trust in partnership with SLC is, in association with other Local Authorities, represented on Scottish negotiating bodies dealing with Local Authorities’ Services. Employees are therefore encouraged to be in membership of a Trade Union representing them on the appropriate negotiating body”.

The transferability of staff proved its worth during the pandemic. When SLLC closed its doors, over 400 SLLC staff volunteered with SLC - in many different job roles including call handling in support of vulnerable people, in school hubs, assisting in roles in the NHS for example pharmacy patrols and delivery, in many roles in care homes, residential homes and elderly care homes and with meal delivery services: “Staff had to learn new skills quickly or adapt existing skills to allow them to work in their new role”.

## European data

Some EU member states take more responsibility for gathering and publishing information on collective bargaining than others, in some cases sample-based, but in others involving a register. The European Foundation for the Improvement of Living and Working Conditions (Eurofound, a tripartite EU agency) collates information on institutions within EU member states and Norway which collect collective agreements and calculate collectively agreed wage changes.

- Eurofound (2018), EurWORK’s database on wages, working time and collective disputes, version 2.0; July 2018.
- Christine Aumayr-Pintar, Senior Research Manager, Working Life (cau@eurofound.europa.eu).

The EurWORK database of wages, working time and collective disputes lists the institutions that fulfil this role, including:

- Austria (sample-based): Statistics Austria (Statistik Austria)/ Tariflohnindex TLI (Index of minimum collectively agreed wages)

[https://www.statistik.at/web\\_de/statistiken/menschen\\_und\\_gesellschaft/soziales/tariflohnindex/index.html](https://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/soziales/tariflohnindex/index.html)

- Italy (sample-based): National Institute of Statistics (Istituto Nazionale di Statistica, Istat)/Contractual wages and salaries (there is also a database held by the Italian tripartite CNEL) <https://www.istat.it/en/labour>
- Netherlands (based on a large sample): CBS Statline <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82838ned/table?fromstatweb>
- Portugal (register-based): DGERT - General Direction of Employment and Labour Relations [Direção-Geral do Emprego e das Relações de Trabalho]/ Full register of all agreements outside public administration <https://www.dgert.gov.pt/instrumentos-de-regulamentacao-coletiva-publicados>
- Slovakia (sample-based): Trexima, s.r.o. Bratislava and the Ministry of Labour, Social Affairs and Family/ Informačný systém o pracovných podmienkach - ISPP /Information System on Working Conditions/ 2017
- Spain (register-based): The Ministry of Labour provides summary data on collective agreements, wages increases and the number of workers affected by collective agreements, broken down by a number of variables including level of bargaining and sector of activity. It provides monthly and annual data (the latest definitive (final) data are for 2017. It also publishes the data and text of collective agreements (REGCON) covering the registration and deposit of collective agreements, collective labour agreements and equality plans). It provides information of each collective agreement and its amendments, and can also be broken down by the level of bargaining, type of agreement, territory, sectors, and bargaining negotiators (trade unions).
  - Estadística de convenios colectivos: <https://www.mites.gob.es/estadisticas/cct/welcome.htm>
  - The Ministry of Labour Registro de convenios colectivos y planes de igualdad: <https://expinterweb.mitramiss.gob.es/regcon/index.htm>