



FAIR WORK
CONVENTION



Fair Work in the Hospitality Industry

Fair Work Convention Hospitality
Inquiry 2024
Executive Summary

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Inquiry into Fair Work in the Hospitality Industry

The Fair Work Convention

The Fair Work Convention brings together employers, trade unions and academic expertise to promote and advocate for fair work across the economy and to advise Scottish Ministers on fair work. Fair work is work that offers everyone an effective voice, opportunity, security, fulfilment and respect. It balances the rights and responsibilities of employers and workers. It generates benefits for individuals, businesses and society.

The Hospitality Inquiry

The Hospitality Inquiry was led by an Inquiry Group made up of hospitality employers, employer bodies, trade unions, hospitality workers and other organisations. The Inquiry was led by employer and union Co-Chairs, and was supported by an academic advisor.

The Inquiry Group brought a wealth of expertise and experience to the Inquiry process. The Inquiry considered fair work in the broadest sense, exploring the experiences of hospitality workers and employers to identify what is working and where improvements in fair work can be made.



Satnam Ner, Prospect and
Fair Work Convention (Co-Chair)



Linda Johnston,
Auchrannie Resort (Co-Chair)

Why Hospitality?

Hospitality is important to the Scottish economy and contributes to the quality of local community life across Scotland. Hospitality is a changing and dynamic sector which offers business opportunities, jobs and careers, and makes a significant contribution to economic activity, particularly in remote rural areas. The hospitality industry is diverse and businesses range in scale and ownership from sole-trader, micro and family businesses to major multinational corporations. Hospitality also comes with a range of fair work challenges which have been a feature of work in the sector for decades. Improving fair work will create positive outcomes for workers and employers. Investing in fair work now will help employers build strong and resilient businesses for the future.

Hospitality – Overview

Hospitality is an important part of the Scottish economy. Accommodation and food services make up an estimated 8% of Scottish employment, almost 9% of private sector businesses in Scotland, and in 2021 had a turnover of £6.4 billion.¹

- The hospitality sector is characterised by:
 - A younger workforce.
 - A relatively high proportion of ethnic minority workers and migrant workers.
 - A high proportion of part-time workers.
 - A high number of jobs with a low level of occupational skills.
- Half of all employees work in small businesses employing fewer than 50 people. Small organisations often have fewer resources to create fair work environments. Over a third of employees work in businesses employing more than 250 workers.
- This sector is labour-intensive, with labour costs accounting for a comparatively high proportion of turnover. It is also characterised by lower productivity and lower pay. Labour shortages have eased somewhat in the past 12 months but remain higher in this sector than for Scottish businesses as a whole.
- The current cost crisis has seen businesses facing higher operating costs. While the debt obligations of businesses have fallen since the end of Covid-19, they have (up until recently) been higher than average.
- The basic non-domestic rates (NDR) tax rate remains frozen for a second year running. While NDR relief introduced during Covid has been removed in Scotland, hospitality businesses located on islands are offered 100% relief (capped at £110,000 per business) on non-domestic rates. As a comparison, NDR relief has been retained in England (75% relief) and Wales (40% relief) for all hospitality businesses (also capped at £110,000 per business).
- The hospitality sector continues to compete with many EU countries which are still operating under reduced VAT rates, averaging around half of the 20% VAT currently levied on UK hospitality.

The last few years for hospitality have been particularly challenging with the pandemic requiring the sector to close down or significantly reduce trading. This resulted in high numbers of workers losing their jobs or being placed on furlough. Coming out of the pandemic, businesses have faced cost pressures and labour shortages as they have tried to recover. While this created challenges it also created a focus on the value of fair work, as businesses sought to attract and retain workers.

¹ [References and Bibliography can be found in the full report](#)



Security

Security of employment, work and income are important foundations of a successful life. The Inquiry considered the degree to which workers in hospitality experienced security at work and found the following key points:

- The accommodation and food services sector had the highest number of employees earning less than the Real Living Wage in 2023 (45.8% compared to 10.1% across all sectors) although this figure is significantly lower than pre-pandemic levels (60.0% compared to 16.8% across all sectors in 2019) suggesting some wage growth over time.
- Despite this, the sector still has the lowest hourly pay of all sectors in Scotland.
- Working hours was identified as a key issue for the Inquiry Group.
 - For businesses, issues focused around ensuring sufficient staff availability to cover the hours of work needed.
 - For workers, limited involvement in the determination of working hours was exacerbated by the late notice of shifts, being unable to take breaks and still having breaks deducted from pay, inaccuracies of recording of hours worked, and uncertainty of finish times. Workers were clear that receiving appropriate and predictable hours is essential to support both work/life balance and an adequate standard of living.
- The Inquiry noted a growing use of different contract types, including agency work, self-employment and some use of 'apps' like Stint. Survey work undertaken during the Inquiry revealed a proportion of workers (13%) without written contracts.
- In 2022, the accommodation and food services sector accounted for around 32.9% of all people on a zero hours contract (ZHC) in Scotland. Views on ZHCs were mixed, with some employers making a clear choice not to use ZHCs in their business and others seeing them as important for dealing with fluctuating demand and seasonality. While some workers valued the flexibility of ZHCs, some also had concerns about the negative consequences of this type of work.
- Tips can be an important top-up to many workers' pay in hospitality. New legislation, expected to come into force in October 2024, makes it unlawful for businesses to hold back tips or service charges from their employees. This is a positive step for workers and provides a clear and consistent standard for employers.

Precarious work and insecurity at work disproportionately impacts certain groups – younger workers, women, disabled workers, non-UK nationals, ethnic minority workers and those with lower educational attainment.

Security at work is fundamental with issues around pay, hours, contracts and basic employment rights, all core elements of workers' experience of work. While improvements have been seen in hospitality around payment of the Real Living Wage, there is more that employers can do to improve security at work.

Findings from this Inquiry suggest that employers focusing on providing transparent and predictable hours; and clear information on employment rights to all of their employees is likely to have a significant impact on the experience of fair work in hospitality.





Respect

Respect as a dimension of fair work includes health and safety, dignity at work and issues relating to bullying and harassment, but it also goes beyond this to include dignified treatment, social support and the development of trusting relationships. The Inquiry considered the degree to which workers in hospitality enjoyed respect at work and found the following key points:

- In 2020/21-2022/23, the accommodation and food services sector performed well on some measures of health at work, specifically rates of self-reported work-related ill health, where it is the third lowest of all industries.
- Recognising reported increases in poor mental health, there are a range of social enterprises and charities dedicated to supporting improved mental health for hospitality workers.
- More negatively, in 2020/21-2022/23 accommodation and food services had the third highest rate of non-fatal workplace injury of any sector of the economy after agriculture and construction.
- The Inquiry heard that proactive inspection by Environmental Health Officers on health and safety issues has significantly reduced in the industry, in line with policy on wider health and safety enforcement. As a result, employers no longer receive the same level of ongoing support and advice on how to maintain standards.
- Bullying and harassment is a significant concern in the industry with many staff citing issues with both customers and managers and some evidence of a lack of action by employers if concerns are reported.
- Employers recognised that issues around respectful behaviours could be variable within the industry, with good practice sitting alongside pressurised workplaces and 'traditional', and not always respectful, management. Evidence to the Inquiry from both employers and workers suggested that behaviours in kitchens – traditionally seen as difficult working environments – were improving.
- The requirement to travel home late at night creates a specific safety risk for hospitality workers, particularly those that are low paid.
- Relationships with co-workers were often seen most positively, and often identified as one of the best elements of working within hospitality.

It is evident that many employers in hospitality take issues around respect seriously and take steps to ensure workers are safe and their wellbeing is supported. Yet, the evidence suggests that hospitality workers face a number of issues relating to respect at work. Hospitality workers would benefit from a clearer focus on safe working practices; support for night workers to get home safely; a better balance of working hours, with clear and consistent access to rest days; better relationships with managers, with a focus on eradicating bullying and harassment, particularly racism and sexual harassment; and a clear mechanism to report issues if they arise.

Respect at work is primarily about relationships, cultures, and how well work is run and organised and workers must feel confident that effective employer action will be taken if concerns are reported. This is an important and achievable focus for all employers regardless of size or starting point.



Opportunity

Opportunity allows people to access and progress in work and employment and is a crucial dimension of fair work. The Inquiry considered opportunity in the hospitality sector and found the following key points:

- The sector is relatively diverse and employs larger shares of equality groups compared with the Scottish economy overall.
- Just over half of employees in the accommodation and food services sector (2022) were women. Despite this, there is some evidence which suggests that women are underrepresented in managerial roles.
- One-third of the accommodation and food services workforce in 2022 was aged 16-24 (three times more than the Scotland-wide figure). The sector frequently gives young people their first contact with the labour market, providing an opportunity to work, often whilst also in education or other training roles.
- The sector has one of the lowest proportion of workers aged 50 and over.
- The sector has a notable reliance on non-UK nationals, with EU and non-EU nationals making up almost a fifth of the workforce in 2022, nearly double the Scottish figure. Most migrant workers in hospitality are likely to be working in low-level occupational groupings with low wages (e.g. waiting staff and housekeeping) and are generally more likely to work shifts, be overqualified for their role and have non-permanent contracts compared to UK-born workers.
- In 2022, 14.2% of workers in the accommodation and food services sector were disabled which was lower than in Scottish employment as a whole (17.1%). This is a change from 2020 data where the sector was closer to the Scotland average.
- Offering flexible working is often cited as a strength of the sector by hospitality employers. Evidence gathered as part of the Inquiry, however, details that many workers do not consider the sector to be flexible for their needs. This is particularly true for those who are balancing other responsibilities outside work such as caring responsibilities (predominately women), education (predominately younger workers) or other work commitments.
- Employability Services promote social inclusion by seeking to tackle the difficulties people face in finding suitable work due to lack of experience, skills, opportunity or other barriers such as disability. Hospitality employers often play a vital role in terms of social inclusion by providing entry level roles for groups that can find it difficult to access employment opportunities.

The hospitality industry is relatively diverse and plays an important role in providing routes into work and entry level positions. The important role that hospitality plays in social inclusion and providing work for highly marginalised groups is often overlooked.

With persistently high vacancy rates across the hospitality sector, there is a business need to maximise the potential workforce entering the sector as well as maximising recruitment and retention. The opportunity dimension focuses on fair, open and accessible employment and progression, irrespective of personal characteristics.

Focusing on providing equal access to work, training and progression opportunities, along with tackling pay gaps, and addressing bullying and harassment, including from customers, could support improved retention and fair work outcomes for workers, particularly those with protected characteristics.





Fulfilment

Fulfilment includes the opportunity to use one's skills, to be able to influence work, have some control and to have access to training and development. The Inquiry considered the degree to which work in hospitality offers fulfilment and found the following key points:

- The hospitality industry has faced significant labour shortages since the Covid-19 pandemic, resulting in a focus on recruitment and retention of skilled staff. Employers giving evidence to the Inquiry reported key skills shortages, particularly for chefs.
- Employers interviewed as part of the Hospitality Inquiry often cited access to career advancement and the ability to 'work your way up' from all levels of the business as a key strength of the hospitality industry.
- The Inquiry heard a range of views from hospitality workers on career progression with many noting that the industry was 'flat' and there were only limited progression opportunities, but also believing that where progression opportunities did exist it was primarily based on merit. Other workers were unclear about what career opportunities existed to support progression through the industry.
- Many hospitality workers did not feel supported by their employer to access training. Worryingly, the Inquiry found examples of employers asking workers to undertake training in their own time and/or at their own expense, even for training directly related to their current role.
- Concern around the churn of staff and the loss of investment in training appears to act as a disincentive to providing certain types of training for some employers.
- Managers' experiences of fair work were often viewed as poor, with a perception of long hours and relatively low pay, especially when considered in relation to hours worked. This suggests that there may be issues with how roles and pay are structured in addition to the ongoing impacts of high workloads and staff-shortages.
- The perception of poor fair work outcomes for managers presented a clear disincentive to career progression for workers in the sector, with examples of some workers expressing a preference for a zero hours contract over a salaried position or a promoted post due to the issue of unpaid overtime.
- Work in the sector is varied and both employers and workers often identified that personal relationships with co-workers and customers, and variation in the working day, made work enjoyable and fulfilling.

The hospitality industry continues to struggle with issues around labour shortages, skills shortages and high levels of staff turnover. There are a number of routes into the sector through apprenticeships, colleges and universities, but data suggests that the number of people undertaking apprenticeships and college courses is falling.

Perceptions of the sector do seem to be having an impact on recruitment, as do changes to immigration policy. Turnover and churn impacts employers by creating clear barriers to investing in their workforce through training, while, for workers, changing between hospitality jobs can often be a response to poor practice, particularly bullying and harassment from managers.

Relationships with managers shape the experiences of hospitality workers for good and for ill, and while relationships with co-workers and customers are often identified by workers as the best thing about working in hospitality, relations with managers are more variable and can have a major determining influence on workers' desire to work in hospitality in the longer term.





Effective Voice

Effective voice underpins and facilitates all other dimensions of fair work. Effective voice requires structures – formal and informal – through which real dialogue – individual and collective – can take place. The Inquiry considered the degree to which workers in hospitality enjoyed effective voice at work and found the following key points:

- Research suggests that effective voice structures are not widely used in hospitality, but there are some examples of improvements in this area since the Covid-19 pandemic.
- Some larger employers have staff networks which act as a voice mechanism.
- Union membership amongst hospitality workers is low, but there are some limited examples of positive industrial relations between employers and unions in hospitality.
- Collective bargaining coverage is the lowest of any sector in the economy.
- Survey work undertaken as part of the Inquiry found that workers' and employers' perceptions of voice structures did not always align. Workers were more likely to feel that their views were not considered, while employers often felt that effective voice structures exist and that workers views are sought and acted upon.
- The Inquiry heard evidence that a lack of effective voice often impacts access to basic employment rights in hospitality with workers expressing a need to self-advocate to access basic rights. This has a particularly negative impact on younger workers and migrant workers who lacked the skills and experience to self-advocate.
- Survey work undertaken as part of the Inquiry showed that many employers recognised the centrality of fair work and hearing and acting on workers' views to delivering good outcomes for their business.
- The Inquiry Group shared an aspiration to improve relations in the industry and create a more collaborative approach between employers, unions and workers.

There is a need to strengthen effective voice mechanisms and to encourage and empower workers to raise issues when they arise. For this to be effective, workers must have faith that they will be treated with respect and they must see their employer respond positively to their views and concerns.

Embedding improvements in effective voice is key to making meaningful progress on fair work in hospitality. It is also clear that effective voice is an area where there is a significant weakness in fair work terms for the hospitality industry - both in terms of individual voice mechanisms and collective approaches. Improving effective voice at a workplace level, and improving industrial relations and joint working at a sectoral level, is key to further embedding fair work in the sector going forward. Workers must have a voice, and this must be respected and taken seriously if all other dimensions of fair work (security, respect, opportunity and fulfilment) are to improve.



Rurality

In Scotland in 2023, there were 3,240 rural accommodation and food services businesses, with 39,000 people employed in rural areas in 2022. The accommodation and food services sector has a much larger share of employment in remote rural areas (17.9%) compared to accessible rural areas (10.1%) and the rest of Scotland (9.9%).

The Inquiry considered the unique challenges of rural and island living and how this impacts the experience of fair work in hospitality and found the following:

- Hospitality employers play a significant role in remote rural communities. Accommodation and food services is one of the biggest providers of private sector employment in remote rural areas along with agriculture, forestry and fishing and wholesale, retail and repair.
- Rural hospitality employers have many of the same fair work challenges as other hospitality businesses, but they also have a range of added pressures, challenges and costs unique to rural areas.
- There is a general lack of housing in rural areas which reduces the available workforce and prevents people moving to the area for work.
- Tied housing arrangements add significant cost to the employer and come with clear fair work issues for the worker. Having housing which is tied to their job creates issues around security and may act as a barrier to effective voice. The Inquiry heard evidence from workers that tied housing arrangements limit their family life in the longer-term, with rural employers also recognising that tied housing arrangements make it harder to maintain a settled workforce.
- There was a shared desire from both employers and workers to have affordable and stable housing in rural areas.
- There are substantial issues with transport infrastructure including infrequent and fragmented rail, ferry and bus services.
- Rural workers face increased transport costs, with many stating a preference for private car ownership due to the lack of available and reliable public transport.
- There is a lack of reliable and affordable childcare which is further compounded by transport infrastructure issues. Lack of childcare options particularly impact the career opportunities of women.
- Training in rural areas can also be challenging. Employers and/or workers can face increased costs due to transport issues and the additional time away from the business. Online training could also be impacted by connectivity issues brought about by poor broadband service.

In Scotland, hospitality and tourism play an important role in the economy of remote rural areas. Rural businesses face many of the same fair work issues as urban businesses but there are significant additional issues facing both employers and workers. Making progress on issues like transport, housing, childcare and connectivity is essential for delivering fair work in rural areas.

Recommendations

The Inquiry considered the barriers to adopting fair work, along with employers' and workers' aims and ambitions for the sector. Consideration was also given to the policy levers that exist which could effectively support and enable the industry to promote and further fair work.

The Inquiry has identified a range of recommendations that taken together would constitute a Fair Work Agreement for hospitality. A Fair Work Agreement is an agreement between employers, employer bodies and unions to work together to advance fair work in an industry. To have meaningful impact, a Fair Work Agreement requires buy-in from employers, employer bodies, unions and ultimately workers across the industry in question. Fair Work Agreements also need to be effectively supported by Government to facilitate progress and to provide additional resource and capacity within the industry.

While businesses face a range of challenges and pressures which may limit how readily they can apply measures (particularly those that have an immediate cost impact) fair work is based on a philosophy of joint working and positive relationships between workers, employers and unions which means that many key elements of fair work can be applied without significant cost to the business. Despite this, some funding from Government to support fair work training, and to build structures across the industry will be necessary, and employers will need to recognise the value of fair work and invest in fair work business models.

To deliver fair work, employers across the industry need to build on what they are already doing well and identify areas for improvement. A key way to achieve this is to learn from the good practice of other businesses in the sector, and to strengthen effective voice in their workplace. Ultimately, focussing on continuous improvement will support strong and resilient businesses for the future.

Taking these issues into account the Inquiry makes the following recommendations:

Key: Recommendation Owner

Recommendations: Fair Work Agreement

Theme: Building Communities of Practice

- 1 **The Scottish Government** should fund two fair work coordinator posts, one embedded in the secretariat of the Tourism and Hospitality Industry Leadership Group (THILG) to support employers and one in Unite the Union to support workers.
 - Both roles have the shared aim to raise awareness and build capacity on fair work issues in hospitality and each role should work to a clear job description that is developed by the organisation employing them (currently Visit Scotland and Unite the Union). In order to have sufficient and meaningful impact, the Scottish Government should seek to provide consistent funding for these posts for the period of the Fair Work Agreement (envisaged in recommendation 7 to be reviewed after 5 years).
 - Both funded posts should work together to ensure both workers and employers are supported with the overarching aim of improving fair work outcomes in the industry, to put on joint events and training sessions, and to share good practice.
 - The role of the post in the THILG is to provide specific support to all businesses in hospitality to: help businesses develop stronger fair work practice; access specific support for training, including fair work training; better access existing funding streams; support businesses to meet fair work conditionality within existing funding; and to support businesses to identify and share good practice on fair work.
 - The role within Unite the Union is to provide specific fair work support to all workers in hospitality to: help workers to understand their rights and responsibilities at work; access training on fair work; better understand training and career pathways in the hospitality industry; collect evidence of positive workplace practice; and to better understand the issues that workers face. The role will also provide a point of contact for workers to raise concerns and will work to support positive resolution of any issues raised.
 - These roles should also work together to support the other elements of the Fair Work Agreement in hospitality and can support the delivery of the fair work actions already committed to by the THILG.

Theme: Fair Work Champions

- 2 The Fair Work Coordinators in the THILG and Unite the Union should work with employers and workers in the sector to develop a network of Fair Work Champions and Effective Voice Champions. This will require businesses in the hospitality sector to actively support the creation of these roles.
- Fair Work Champions should be a senior manager who takes on the additional responsibility to champion fair work and encourage a collective endeavour to improve fair work that involves the whole workforce.
 - Effective Voice Champions should be an elected representative of the workforce who champions fair work amongst workers and support the workforce to raise any fair work issues. If the workplace is already unionised, the shop steward or union representative should automatically be considered the Effective Voice Champion.
 - These roles create a clear point of contact for the Fair Work Coordinators to support fair work within workplaces. These networks create a community of practice which supports the identification and dissemination of good practice across the industry.
 - Both the Fair Work Champion and the Effective Voice Champion should receive accredited training as set out in Recommendation 4.
- 3 A member of the THILG should be appointed Fair Work Champion. The main purpose of this will be to champion fair work through the work of this key industry leadership structure, to provide strategic profile and drive the industry's commitment to adopting the highest levels of fair work practice.

Theme: Developing Accredited Fair Work Training

- 4 The Scottish Government should support CIPD, CMI and SQA to develop an accredited training scheme for senior managers. This training scheme should be undertaken by all managers who are acting as Fair Work Champions. The Scottish Government should also support Scottish Union Learning and TUC Education to jointly provide bespoke online fair work awareness training for hospitality workers. This training should be undertaken by all Effective Voice Champions. Both types of training should be developed with input from the THILG and the Fair Work Convention and should take into account the context of the industry in the design of how training is accessed and undertaken.

Theme: Fair Work Charter for Hospitality

5 The members of the THILG, being mindful of the need to balance union and employer representation, should work together to create a single Fair Work Charter for hospitality businesses. This could be taken forward through an existing or bespoke sub-group if appropriate. It is envisaged that this charter should be voluntary, allowing employers to demonstrate their general commitment to fair work. Adopting the charter can be used to provide useful evidence within fair work conditionality but does not replace other requirements around the Real Living Wage or effective voice that may be included. Based on the findings of this Inquiry, the Fair Work Charter for Hospitality should at a minimum cover the following issues:

- Payment of the Real Living Wage, along with clear pay and progression structures.
- Promotion of existing Real Living Hours accreditation or design of a bespoke Real Living Hours approach for hospitality, which recognises industry dynamics while also supporting transparent and robust approaches to hours and shift allocations that ensure workers have an income that is regular and can be relied upon. Design of any new requirement should be undertaken in consultation with Living Wage Scotland.
- Written contracts for all workers which help workers to understand their rights at work, particularly around access to annual leave and sick pay.
- Tips policies that are clear, fair and in line with legislation.
- Access to training in paid work time and funded by the employer.
- Encourage good industrial relations, supporting unions and employers to work constructively together. This should include encouraging employers to respond positively to requests for union access to workplaces, allowing them to meet with and effectively support their members. It is important to recognise that **working positively with unions** results in improved fair work outcomes for businesses and workers.
- Support effective voice structures that allow workers to raise any concerns at work.
- Clear procedures to robustly address concerns around bullying and harassment.
- Effective structures for health and safety, including the creation of Health and Safety Committees.
- 'Safe Home' policies for all workers asked to travel to or from work after 11pm.

It is crucial for the charter to have an effective dispute resolution model. In the case of a dispute where staff members believe that elements of the charter are not being upheld, the charter should allow a case to be heard through the dispute resolution process. This will involve setting up a panel which includes a balance of both employer and trade union members involved in the THILG. This panel will consider the issue(s) raised and should seek effective resolution in the first instance. Where resolution is not possible, and where the panel finds a breach of charter commitments has occurred, the panel could recommend removing the business as a charter member. Where the business is part of a larger chain, this process will apply only to the business where the issues have arisen. In exceptional circumstances, the panel may decide to remove accreditation from the whole chain if there is evidence to suggest the failings are significant and systematic across the whole chain.

Theme: Providing Positive Support for Change

- 6 The Scottish Government should make a dedicated fund available for hospitality businesses to support the adoption of fair work practices. This funding stream should not have fair work conditionality attached to it as it is designed to support the adoption of fair work practices and build capacity in the sector. This approach supports the use of wider conditionality in the industry as it provides support for those who need to make significant change to become eligible for wider funding streams. This proposed Fair Work in Hospitality Development Fund should be used to:
- Support access to specific fair work training and capacity building within hospitality workplaces.
 - Support pilot projects of new ways of working.

Theme: Review and Renewal

- 7 The THILG or an existing or bespoke sub-group should, after a period of five years, review the Fair Work Agreement to understand how well it is embedding fair work in the industry from the perspective of both employers and workers. It should then make any amendments that it believes are necessary to continue to advance and embed fair work effectively within the hospitality industry.

Further Recommendations**Theme: Taxation**

- 8 When considering issues of taxation for the hospitality industry, the Scottish Government should consider if any fair work conditionality can be applied. This conditionality should aim to provide an additional tax incentive or relief for employers who pay at least the Real Living Wage and provide effective voice mechanisms to all workers.

Theme: Rural Businesses

- 9 The need to provide accommodation for workers creates significant additional costs for employers and clear fair work issues for workers associated with housing tied to their job which does not support family life in the longer term. The Arran Development Trust has created a useful model for increasing the housing available in an area. The Scottish Government, working with Enterprise Agencies and Local Authorities in rural areas, should aim to replicate this approach in other communities. Ultimately, increasing the supply of affordable housing is key to underpinning fair work in rural economies.
- 10 There are a range of issues for hospitality businesses in rural areas that are distinct, and rural businesses in hospitality would benefit from having a forum to explore these fully. The THILG should create a dedicated rurality sub-group to consider the specific needs of rural businesses, including on fair work issues.

Theme: Health and Safety

- 11 The Scottish Government should seek to support improved funding for Environmental Health provision within Local Government and work with Local Authorities to ensure more proactive health and safety inspection, particularly for hospitality businesses.

Theme: Supporting Disabled Workers

- 12 The Scottish Government should include, within its wider fair work funding, support for hospitality businesses to create and support employment opportunities for disabled workers, particularly those with learning difficulties. Employability funding should continue to support disabled workers into employment and should aim to support workers into hospitality businesses where employers are engaging effectively with fair work structures and the recommendations of this Inquiry. The work of the Fair Work Coordinators (Recommendation 1) should also provide ongoing help and support for both employers and disabled workers, facilitating the sharing of good practice, and positive and supportive management practices, in line with fair work.





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