

SUBMISSION FROM DUMFRIES AND GALLOWAY COUNCIL

Introduction

This submission is made by Dumfries and Galloway Strategic Partnership - Executive Group.

The aim of the Strategic Partnership is to work together **‘to create ambitious, prosperous and confident Dumfries and Galloway where people achieve their potential’**. This is a community planning partnership of agencies and organisations from the public, private, voluntary and community sectors that have an interest in Dumfries and Galloway.

The Executive Group is senior officer group which comprises the following executives from the Partnership:

Dumfries and Galloway Council - Chief Executive
NHS Dumfries and Galloway - Chief Executive
Police Scotland - Local Police Commander Dumfries and Galloway Division
Dumfries and Galloway Third Sector First - Chief Executive Officer
Scottish Fire and Rescue Service - Local Senior Officer Dumfries and Galloway Division
Dumfries and Galloway College - Principal

The remit of the Executive Group is:

- To provide advice and guidance to the Strategic Partnership in its work programme and activities
- To ensure the delivery of the Strategic Partnership’s decision, through the allocation of resources and decisions taken within the key public sector
- To receive Forum and Partnerships’ work programme/strategic plans and to advise the Strategic Partnership of significant issues, for example changes in policy direction and budget challenges
- To ensure inter-agency/sector leadership development across partners.

Submission

1. What makes a job ‘good’ or ‘bad’?

There are many different ways of interpreting or measuring whether a job is ‘good’ or ‘bad’. A definitive answer is hard to reach as each individual will value certain factors over others depending on their personal preference or situation. Despite this, there are several factors which all contribute to the quality of a job – security of

contract/working hours, opportunity for training and advancement, type of work, pay and benefits, level of support/leadership, and the working environment and conditions. The employing organisation/company's purpose, values and standards of ethics is often a determining factor for an employee's feeling of fulfilment and value. The location and transport links to a job is also important, with the travel time and cost in rural Scotland often influencing whether a job is seen as 'good' or 'bad'.

A 'good' job is one which the employee feels valued and secure, provides a fair wage and sound leadership, opportunity for development or progression, and good working and welfare conditions.

A 'bad' job is characterised by insecure employment (such as temporary or zero hour contracts), little leadership, engagement and poor communications; unfair pay and benefits, little training or support, no progression opportunities, and poor working conditions such as a lack of flexibility or underemployment.

2. Have jobs become better or worse since 2008?

On the whole jobs have become worse since 2008. Though there is an ever-increasing awareness of what a good job involves and requires (the importance of aspects such as fairness, equality and work life balance are greater understood and emphasised), there are fewer full-time jobs, there are fewer well-paid jobs and there is less job security.

Before looking at the quality of existing jobs, it is important that the extent of unemployment is noted. The economic downturn has resulted in severe cuts to jobs. In Dumfries and Galloway the rate of economically active unemployed adults that are seeking work has doubled since 2008.¹ Job losses have a negative impact on the health and welfare of our citizens and on our local and national economies, and often place more strain on those in-work (due to over-working to manage increased workload).

Not only has the number of jobs fallen since 2008, but also the number of full-time jobs. 68% of people in Dumfries and Galloway are in employment but of those, only 66% is in full-time employment.² As the graph below in Figure 1 shows, the amount of full-time employment has also decreased as a whole in Scotland since 2008.³

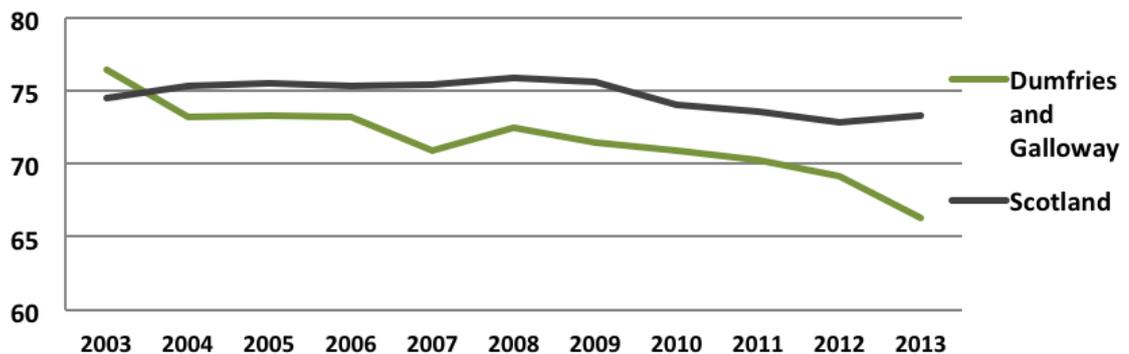
¹ Dumfries and Galloway Regional Economic Strategy 2014-2020, Baseline Study and Regional Economic Profile (produced by Crichton Institute for Dumfries and Galloway Council Economic Development Service and Community Planning Executive Group). Available at:

http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CCUQFjAAahUKEwiN45Ogt8THAhUK2hoKHAMIDic&url=http%3A%2F%2Fcrichtoninstitute.co.uk%2Findex.php%2Fcomponent%2Fjoomdoc%2FReports%2FRegional%2520Economic%2520Strategy%2520-%2520Baseline%2520Analysis%2520Final.pdf%2Fdownload&ei=9nncVY2QLIq0a6PLuLgC&usg=AFQjCNFLCs8XPMLsKFy_fIFPsAZa8cZcqQ

² Dumfries and Galloway Regional Economic Strategy 2014-2020, Baseline Study and Regional Economic Profile, p.16

³ Ibid, p.19

Figure 1. Full-Time Employment as % of Total Employment, 2003-2013



Source: NOMIS – Annual Population Survey

Note: Annual averages to June each year

With the decline of full-time jobs, for many people in Scotland part-time work is the only option. Dumfries and Galloway has a high, and growing, proportion of part-time jobs and this can be partially explained by its relatively high proportion of jobs in sectors where part-time working is most common. For many employees, a part-time job can be a 'good' job and it often allows for greater-flexibility. However, based on findings from the Annual Population Survey, it is estimated that c11% of working people in Dumfries and Galloway are currently 'underemployed'; that is, they are working fewer hours per week than they would like to be working (Scottish Government, 2013b). This figure has increased from 8% in 2008 and is currently slightly higher than the Scottish average. Since 2008, there has been a rise in zero-hour contracts, which in turn has lowered job security and income too.

Evidence from Joseph Rowntree Foundation shows that work offers less of a guarantee of a decent living standard than it did in the past.⁴ Low pay (less than £7 per hour) is a particular issue in rural Scotland, where the tourism industry, agriculture, forestry and related activities – often seasonal – are significant employment sectors. The average pay of full-time workers in Dumfries and Galloway has fallen in nominal terms since 2010 and is one the lowest paid regions in Scotland.⁵ This degree of difference is undoubtedly linked to the industrial structure of employment in the region; in particular the preponderance of low-skilled occupations, high numbers in low-wage sectors, and the relatively low number of jobs in high-wage sectors such as finance and insurance.

Research into poverty in Scotland and Dumfries and Galloway has shown that there has been a significant increase in the amount of people suffering from in-work poverty. There is no doubt that the low-wage economy, coupled with the rural

⁴ Joseph Rowntree Foundation, Monitoring Poverty and Social Exclusion (2014), <http://www.jrf.org.uk/publications/monitoring-poverty-and-social-exclusion-2014>

⁵ Dumfries and Galloway Regional Economic Strategy 2014-2020, Baseline Study and Regional Economic Profile, p.22

challenges we face, contributes significantly to the fact that we have families and individuals across our region suffering from poverty. Research by the Crichton Institute has evidenced that many individuals on low incomes have complex, multi-faceted needs and experience multiple types of deprivation.⁶

Dumfries and Galloway Council passed an Anti-Poverty Strategy on 25 June 2015 which has the aim that 'people will be prevented from falling into poverty; supported to escape from poverty; and able to lead independent, safe, happy and fulfilled lives'.⁷ The Strategy was endorsed by partners involved in the Dumfries and Galloway Strategic Partnership and the Action Plan to implement the Strategy is being co-ordinated by an inter –agency Group.

This Strategy, along with the Regional Economic Strategy agreed by the Council in May 2015 and endorsed by the Strategic Partnership in June 2015, demonstrate that Dumfries and Galloway Council is committed to tackling low pay and underemployment for people across the region under the aim of addressing inequalities through economic growth. We have recently been accredited as a Living Wage employer⁸, the second local authority in Scotland to have been so.

We are currently promoting Living Wage accreditation to all organisations in our region across the public, third and private sectors - raising awareness of the benefits of paying staff the Living Wage and encouraging and supporting other employers and partners to do so.

3. What effect might low quality/low pay jobs have on the economy?

Low job quality and low pay can affect the economy as the workforce is less productive, employees and their families have less disposable income, and those who are underemployed or in poverty are more likely to put strain on the public purse.

Workers that are stressed and concerned about pay and work, or are frequently ill due to job quality are often less productive. This has a direct effect on employers - such as lower worker productivity and economic output, increased staff turnover and absenteeism.

Low quality and low pay jobs leads to more reliance on the welfare system. Working age poverty has risen to 21% in Scotland and this has a real effect on both the welfare of our citizens and our economy. As the health and wellbeing of more

⁶ Poverty and Deprivation in Dumfries and Galloway, Crichton Institute (2015)
<http://crichtoninstitute.co.uk/index.php/component/joomdoc/Reports/Poverty%20And%20Deprivation%20In%20Dumfries%20And%20Galloway.pdf/download>

⁷ Dumfries and Galloway Anti-Poverty Committee Report (2015)
<http://egenda.dumgal.gov.uk/aksdumgal/images/att37415.pdf>

Dumfries and Galloway Anti-Poverty Strategy 2015-2020, Dumfries and Galloway Council (2015),
<http://www.dumgal.gov.uk/CHttpHandler.ashx?id=16608&p=0>

⁸ Poverty Alliance News (30th June 2015): <http://slw.povertyalliance.org/news>

people living in poverty worsens, the pressure on public services, including the NHS and the Council (Care Services, e.g. Health and Social Care) increases. Higher-quality jobs will have a positive effect on health and wellbeing, preventing downstream strain on public sector budgets.

At a local level, Dumfries and Galloway has a low-wage economy and this, coupled with the high living costs in the region, has resulted in households having less disposable income. In turn, demand for local goods and services is reduced and businesses therefore find it more difficult to be sustainable and require help to grow. A balance is needed between encouraging and incentivising businesses to prosper and ensuring that workers do not lose out as a result of this.

For the economy of the region, it's confidence and reputation it is important that high quality and high-value jobs are encouraged to, and kept in, the area.

4. What the health impacts of low quality jobs might be?

The health impacts of low quality jobs are well known. Lack of job security, dissatisfaction at work, stress and anxiety can all impact on mental and physical health. In The Work Foundation's report into job quality it is stated that the:

'The quality of employment has an impact on health, life expectancy and life chances. While it is clear that unemployment has a corrosive effect on physical and mental health, there is equally strong evidence to show that a good job is better than a bad job. If we care about the capabilities of individuals to choose a life that they value then we should care about job quality'.⁹

The importance of job quality on the quality of life and wellbeing of people in Scotland is evident in the two subdomains - 'having satisfying work to do' and 'secure work and suitable work' - used in the Oxfam Humankind Index.¹⁰ The Oxfam Humankind Index (HKI) was launched in 2012 and is about valuing the things that really matter to the people of Scotland.

One of the objectives of NHS Dumfries and Galloway Equality Outcomes Framework 2013-2017 is 'to ensure that Dumfries and Galloway has an engaged and motivated workforce that is supported and valued in order to deliver high quality service and achieve excellence for the population of Dumfries and Galloway'.¹¹ The outcome of this will be improved staff experience and the health and wellbeing of staff.

⁹Coats & Lehki (2011) The Work Foundation - 'Good Work': Job Quality in a Changing Economy
http://www.theworkfoundation.com/assets/docs/publications/197_good_work_final2.pdf

¹⁰ Oxfam Humankind Index: The new measure of Scotland's Prosperity, second results (2013)
<http://oxfamlibrary.openrepository.com/oxfam/bitstream/10546/293743/1/rr-humankind-index-second-results-100613-en.pdf>

¹¹ NHS Dumfries and Galloway Equality Outcomes Framework 2013-2017 (2013)
http://www.nhs.uk/scot.nhs.uk/About_Us/Equality_Diversity/ED_Files/Equality_Outcomes_2013-17.pdf

5. What can the Scottish Government and public policy makers do to improve job quality in Scotland?

- Ensuring regional equity by taking a sectoral and geographic focus to job quality and ensuring the investment required in achieving this. Additional support is required for those areas with a high reliance on low value sectors which are characterised by poor quality jobs.
- Raising skill levels and subsequently productivity in these areas should be a priority. Provide opportunities for high quality jobs for targeted groups of individuals e.g. apprenticeships; Graduate Placement Schemes.
- Continued investment to improve infrastructure (such as transport and broadband) to encourage business growth and job creation in rural areas.
- Providing incentives for business growth and other fair work approaches particularly in the low paid sectors. This could be linked into a company's CSR scheme and recognising the benefit of these programmes internally also.
- Additional support for the micro-businesses that make up the vast part of our economy and supporting them to become involved in initiatives aimed at improving job quality and staff welfare.
- Provide leadership by ensuring that all jobs within public sector organisations meet accredited fair work approaches and good practice in terms of employee engagement (e.g. Investors in People; Public Sector Improvement Framework).
- Promoting initiatives such as the Living Wage and The Scottish Business Pledge to set an example to follow. The Scottish Business Pledge includes a good mix of practices for employers to commit themselves to which could improve job quality.
- Ensure sufficient support is in place for businesses that provide skilled and good jobs when they experience difficulties (e.g. Partnership Action for Continuing Employment, Business Gateway).
- Support social enterprises and third sector organisations to grow and improve their conditions of service and working arrangements (e.g. through maximising the opportunities through procurement of local service delivery).