

Fair Work First Q and A for Agri-environment Scheme (AECS)

Q 1. Why have you introduced this grant condition now?

A. Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work across the labour market in Scotland by applying fair work criteria to some grants, and other funding and contracts being awarded by and across the public sector. Fair Work, including fair pay, is more important than ever just now in the context of the cost-of-living crisis, and Scottish Government will use all the levers we can to support those most affected. For most public sector grants it was introduced from July 2023 but for agricultural grants which met the criteria, Ministers agreed to delay implementation until 1 April 2024 and after the AECS 2024 round which was already open.

Q 2. I do not employ any staff in my business and will do the grant aided work myself – does Fair Work First apply to me or the grant award?

A. No. In this scenario there are no implications from Fair Work First.

Q 3. Although I do not employ any staff, I am intending to get a sub-contractor to do some or all of the grant aided work – does Fair Work First apply to me or the grant award?

A. Yes. Because you are engaging a sub-contractor to do the work the terms of your contract acceptance mean that you can only employ a business which pays the real Living Wage (if they have employees). You will need to confirm the situation with the sub-contractor before work commences.

Q 4. Will there be any change to the AECS application process?

A. No, although there will be a condition in the AECS contract that you will comply with Fair Work First principles and provide evidence on request

Q 5. Will I have to provide any more information related to Fair Work First when I submit a AECS application or claim, or at an inspection?

A. We will not routinely require information at application, claim or at inspection relating to Fair Work First. By accepting the contract offer you are agreeing to be bound by Fair Work First requirements with which you must be able to demonstrate compliance if we ask you to do so.

Q 6. How will the Fair Work First conditions be applied?

A. There will be conditions added to the Offer of Grant letter which is issued if your application is approved and which you must sign if you wish to accept the contract offer. These conditions will stipulate that, if you have employees, then you confirm that you pay at least the real Living Wage to all staff aged 16 and over (including apprentices) who are directly employed by your business, and that all staff have access to effective workers' voice channel(s).

There will also be a condition that you will check whether any intended subcontractors doing the work also pay the real Living Wage (if they have employees) and that you will only engage someone who does.

You will need to retain appropriate evidence of complying with Fair Work First requirements within your own business as well as any contract with any subcontractors to confirm their compliance. Please note that businesses with a cumulative AECs grant greater than £100 000 will require

greater [verification](#) This will be if you have received grant from RPID of £100 000 or more in any financial year over the period of your AECS contract (excluding the value of BPS and LFASS payments received by the applicant business).

Q 7. Can I apply for an exception to the condition?

A. Yes. In limited circumstances, SGRPID may consider allowing an exception to these conditions where a business cannot afford to pay the real Living Wage and/or provide employees with access to Effective Voice channels. Businesses who cannot meet either or both requirements should write to SGRPID and ask for an exception **before** submitting a AECS application. You can access the guidance and template from these links [limited exception template](#)

Q8. I pay my employees in line with the minimum hourly rate of pay suggested in the annual Agricultural Wages (Scotland) Order, does this mean I meet the real Living Wage condition?

A. No. The real Living Wage is completely different to the Agricultural Wages (Scotland) Order. The real Living Wage is calculated annually and announced in autumn. If you employ staff, then have until 1 May of the following year, to implement it.

You should check the current real Living Wage hourly rate on the [Living Wage Scotland website](#) to ensure you are complying.

Q9. What evidence would I need to keep to demonstrate that my business and/or any sub-contractor I may have used in connection with the grant award, have complied with Fair Work First requirements?

A. If you are asked to confirm your compliance with FWF at any time during the life of your AECS contract, we would require to see evidence of the hourly rate you pay your own staff and that they have access to effective workers' voice channel(s). For sub-contractors we would need to see signed confirmation that their business complies with the Fair Work First policy.

In the situation where your business has received funding from RPID (excluding BPS & LFASS greater than £100 000 in any financial year during the period of your AECS contract we would also need to see either a living wage accreditation, or anonymised payroll, or accountant certificate. Please check with the [Fair Work First guidance](#)

Q10. How long would I need to retain the evidence that demonstrates my businesses and/or any sub-contractor I may have used in connection with the grant award complied with Fair Work First requirements?

A. You would need to maintain records for the period of grant, for AECS this would be a period of five years from the date of receipt of the final payment.

Q11. What is an effective workers' voice channel?

A. Compliance with effective voice requires evidence that your business allows a safe environment where dialogue and challenge are dealt with constructively and where employee views are sought out, listened to and can make a difference.

Q12. There are limited contractors in my area or who can carry out the work what can I do if they are unable to confirm Fair Work First requirements?

A. In situations such as this you should apply for an exception, including the reason for applying.