

To: Leadership Board

On: 14th September 2016

Report by: Chief Executive

Heading: Living Wage Accreditation – progress report

1. Summary

- 1.1 This report notes the Council's successful Living Wage Accreditation under the scheme organised by the Poverty Alliance in partnership with the Living Wage Foundation.
 - 1.2 The report also provides details of the Living Wage Accreditation Action Plan which is set out in Appendix 1.
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2. Recommendations

- 2.1 It is recommended that the Board:
 - 2.2 Note the Council's accreditation as a Living Wage employer in terms of the Scottish Living Wage Accreditation Scheme.
 - 2.3 Approves the Living Wage Action Plan set out in Appendix 1 to support the payment of Living Wage across Renfrewshire.
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3. Background

- 3.1 The importance of the Living Wage was emphasised within the report of Renfrewshire's Tackling Poverty Commission, stating "It is estimated that around a fifth of Scotland's workforce earn less than the Living Wage. The Living Wage would make a significantly positive impact in sectors with low pay such as cleaning, catering, caring and retail".
- 3.2 Renfrewshire's Tackling Poverty Commission made a recommendation to "Halve the number of workers in Renfrewshire being paid below the Living Wage". One of the key priorities within the Tackling Poverty Strategy is to 'Increase the number of households who can access employment that provides an acceptable standard of living'.
- 3.3 However, work is no longer a guaranteed route out of poverty, and more people living in poverty are working, than not. Therefore, good quality, stable employment which provides an acceptable standard of living has being an increasingly critical element of tackling poverty.
- 3.4 In February 2016 the Council authorised the Chief Executive to submit an application for accreditation as a Living Wage employer and noted progress on a range of activities to support the payment of Living Wage across Renfrewshire. A Living Wage Working Group has been established with representation from Legal, Procurement, Invest in Renfrewshire, HR, Health and Social Care Partnership, Children's Services and Communications and Marketing. This working group has overseen the development of the Living Wage Accreditation application, and will act as a steering group for the Living Wage Campaign being developed within marketing.
- 3.5 The Living Wage is an hourly rate set independently and updated annually, and is calculated according to the basic cost of living in the UK.
- 3.6 The Living Wage used for the purposes of this report is the one set by the Centre of Research in Social Policy at Loughborough University which for 2015/16 was set at £8.25.
- 3.7 As part of the nationally negotiated pay settlement, the Council has been paying the Living Wage + 1% from 1 April 2016, which is £8.33.
- 3.8 In 2015, there were approximately 15,000 jobs across Renfrewshire, which are paid below the Living Wage and that equates to 20% of the jobs in the area. This is an improvement on the figures from 2014, where 16,000 jobs were estimated as paying below the living wage (21%).

4. Living Wage Accreditation

- 4.1 The Scottish Living Wage Accreditation Initiative was established in 2014 with the aim of increasing the number of employers in Scotland who are recognised for paying their staff the Living Wage. The Initiative is hosted by the Poverty Alliance working in partnership with the Living Wage Foundation.
- 4.2 The purpose of applying for accreditation was to demonstrate the council's commitment to the Living Wage and to the differences payment of the Living Wage can make to the lives of its employees and in tackling low pay by contractors who provide services funded by the council.
- 4.3 In the process of achieving accreditation, the Council had to confirm that all directly employed staff are paid the Living Wage and that there is a plan in place to secure the Living Wage for contractors' staff who regularly provide services on council premises.
- 4.4 The accreditation has been confirmed in July by a signed licence agreement between the council and the Living Wage Foundation.
- 4.5 The Living Wage applies to all staff over the age of 18 that work regularly on the council's premises. This includes directly employed staff, contracted staff and sub-contracted staff. Regularly is defined for these purposes as two or more hours in any given day for eight or more consecutive weeks of the year.
- 4.6 The Initiative does not require applicants to insist on payment of the Living Wage by all of the Council's contractors although the Council already takes steps to encourage contractors to pay the Living Wage.
- 4.7 In addition, the Scottish Living Wage Accreditation Scheme has introduced new requirements in relation to care contracts which Renfrewshire Health and Social Care Partnership agreed to meet and is committed to working towards the standards set out in the accreditation licence.

5. Living Wage Accreditation Action Plan

- 5.1 In order to be accredited, the Council was required to undertake phased implementation of measures identified in the application. In addition, the Council has also produced a Living Wage Action Plan which responds to any areas of development to maintain accreditation, along with any wider actions that the Council can undertake to demonstrate commitment and leadership around the benefits of the Living Wage.

- 5.2 The action plan comprises of actions which will be achieved towards the accreditation renewal and wider actions relating to communications, marketing and partnership working. The action plan will build on work already done and strengthen the Council's commitment to Living Wage in Renfrewshire.
- 5.3 As part of the action plan we will develop and implement a Living Wage communications and marketing strategy which main objective will be to identify:
- key audiences including general public, staff, partner organisations, employers and wider business communities;
 - means of internal communication to inform wider workforce on the implementation of the Living Wage;
 - means of external communication with general public, partner organisations and wider business community.
- 5.4 In addition to the primary tackling poverty objective of raising the number of citizens in Renfrewshire paid a Living Wage, the action plan also aims at increasing the number of accredited Living Wage employers in Renfrewshire and increase residents' and employers' awareness of the Living Wage. The Council is fully committed to identifying opportunities to encourage our community planning partners and wider business community in the area to pay the Living Wage.
- 5.5 The action plan will be monitored and reported on by the Living Wage Working Group which will make sure the Council takes part in regular reviews with the Scottish Living Wage Foundation to confirm progress is being made towards the action plan.

Implications of the Report

1. **Financial** – The costs of becoming Living Wage accredited are already accounted for within the pay award for April 2016. Additional resources may be required within the Corporate Procurement Unit for additional negotiation and monitoring requirements associated with accreditation.
2. **HR & Organisational Development** – It is anticipated that Living Wage accreditation will have a positive impact on Renfrewshire Council staff, considering the associated benefits relating to employee engagement and productivity.
3. **Community Planning** –

Jobs and the Economy – The Jobs and Economy Board have recently added a target to the Single Outcome Agreement to increase the number of accredited Living Wage employers in Renfrewshire. The work surrounding Living Wage will support the CPP to achieve these targets

4. **Legal** – The accreditation is confirmed by a signed licence agreement between the council and the Living Wage Foundation.
5. **Property/Assets** – Not Applicable
6. **Information Technology** – Not Applicable
7. **Equality & Human Rights** – It is anticipated that the increase in Living Wage payment across Renfrewshire will have significant positive impacts on equality and human rights, considering the overrepresentation of many equality groups within low pay sectors.
8. **Health & Safety** – Not Applicable
9. **Procurement** – Living Wage Accreditation will add additional requirements to the Council's procurement unit, and as a result additional resource will be required but contained within existing budget provision.
10. **Risk** – Not Applicable
11. **Privacy Impact** – Not Applicable

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Appendix 1: Living Wage Accreditation Action Plan

Objective	Action	Lead	Timescale
Living Wage Accreditation renewal	Continue to use and expand the fair working practices in our procurement exercises	Procurement Manager	Ongoing
	Ensure that all relevant contractors which supply an employee (other than an apprentice or intern) who provides a service to or on behalf of the Council are identified and encouraged to meet the requirements of the Living Wage.	Procurement Manager	31 December 2016
	Ensure that all Craft Apprentices are either in receipt of the Living Wage or there is a plan in place with agreed milestones to bring them up to the Living Wage within agreed timescales.	Head of HR, Organisational Development and Workforce Strategy	31 December 2016
	Ensure that all adult social care and support services staff are either in receipt of the Living Wage or there is a plan in place with agreed milestones to bring them up to the Living Wage within agreed timescales.	Procurement Manager / Head of HR, Organisational Development and Workforce Strategy	31 December 2016
	Make a firm commitment to a programme that ensures the Living Wage is kept on the agenda and	Renfrewshire Health and Social Care Partnership Service Manager - Contracts	Ongoing

	progress is made towards its introduction for contracted-out staff working in private care homes (residential care).			
Communications and marketing	Develop and implement Living Wage communications and marketing strategy.	Head of Marketing	31 December 2016	
	Communicate and publicise council's accreditation and its commitment to implementing the Living Wage action plan by means of external (press opportunities, social media, Living Wage Foundation press office) and internal (newsletters, staff forums, team meetings, Renfo, surveys) communication.	Head of Marketing	Ongoing	
Partnership working	Identify opportunities to encourage other community planning partners, local organisations and businesses to pay the Living Wage.	Economic Development Manager	Ongoing	
	Take part in regular check-ins with the Poverty Alliance to confirm the progress being made towards the action plan.	Strategic Lead Officer (Tackling Poverty and Welfare Reform)	Ongoing	