



**To:** Forum for Empowering our Communities

**On:** 30<sup>th</sup> March 2016

**Report by:**

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**UPDATE ON THE LIVING WAGE**

**1. Summary**

- 1.1 This report seeks to update members on developments in relation to the Living Wage and its relationship to the Scottish Living Wage

**2. Recommendations**

- 2.1 The Forum are asked to support negotiations and discussion between local providers and the Local Authority / Health and Social care Partnership, to facilitate achievement of sustainable Scottish Living Wage levels across the spectrum of provision in Renfrewshire.

**3. Background**

- 3.1 The Chancellor of the Exchequer announced in his July 2015 budget statement that the 'National Living Wage' would rise in unspecified increments between April 2016 and 2020 for individuals aged over 25 years. In essence, he was referring to a National Minimum Wage. This equates to a starting rate of £7.20 in April, 2016 rising to £9.00 in April 2020. (a 25% rise)
- 3.2 The Forum should be aware that this differs from the 'Scottish Living Wage', which is a voluntary 'opt in' standard. It should further be noted that there is significant encouragement from statutory funding bodies for suppliers of services to acknowledge the 'Scottish' Living Wage. Current European Legislation however prohibits absolute requirement at this time.

- 3.3 The (Scottish) Living Wage is currently £8.25. This is set annually in November by the Living Wage Foundation and Leicester University amongst others. It is gauged against what is deemed to be a basic standard of living in the UK.

The average annual 'increase' is around £0.40p per hour, per annum. There is no upper target.

- 3.4 Locally, Renfrewshire Council have liaised with local providers (3<sup>rd</sup> sector Social Care) to consider options which make efforts to achieve the (Scottish) Living Wage achievable.

3.5 **Fairer Work Practices**

The Scottish Government has recently indicated that it is keen to see the care sector address fair work practices both through public procurement and central funding support. To this end they have made £2.5m available nationally in 2015/16. The distribution of this fund is based upon a 50% contribution from Government; 25% from Cosla members and a 25% contribution from Provides.

It is anticipated that further initiatives will be continued in 2016/17.

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