

## Scotland Excel

**To:** Scotland Excel Joint Committee

**On:** 27 November 2015

**Report  
by  
Director Scotland Excel**

**Living Wage Accreditation**

### 1. Introduction

In recent months there has been increasing discussion recently around the concept of the Living Wage. The concept of the Living Wage first grew out of a recognition that it is simply not possible for an individual to support themselves and their family to a socially acceptable level on the minimum wage. It often leads to an individual working very long unsociable hours across more than one job.

Scotland Excel has, through the tender process, encouraged employers to support paying the Living Wage to their staff employed in the delivery of goods and services across the whole contract portfolio. As the next stage in promoting this key area of corporate social responsibility the organisation is seeking committee approval to pursue accreditation as “Living Wage Employer”.

### 2. Background

The Living Wage is an hourly rate set independently and is calculated according to the basic cost of living in the UK. Currently the National Minimum Wage is £6.70 per hour with the Living Wage calculated to be £8.25 per hour.

Some of the benefits of paying the Living Wage have been identified as that those receiving it can afford a decent quality of life. For some, it means working fewer hours and having time to see their families, volunteer in their communities, or look after their health. Two-thirds of people interviewed in Living Wage workplaces reported improvements in their work, family life or finances.

The same independent research identified that employers found paying the Living Wage had resulted in;

- 25% fall in absenteeism.
- 80% of employers believe it has enhanced the quality of the work of their staff.
- 66% of employers reported a significant impact on recruitment and retention within their organisation.

In addition to the benefits identified for employees and employers the local economy benefits by giving people more money to spend on goods and services.

In Scotland Excel staff are employed under Terms and Conditions which includes a policy of paying a supplement to the nationally negotiated salary scales for staff on the lowest points on the pay scale to bring them up to the £8.25 per hour level.

As Scotland Excel is likely to meet the necessary criteria to be approved as an accredited Living Wage Employer and to help in promoting the benefits of paying the living wage it is proposed that formal recognition of this is secured for the organisation. The cost of the accreditation for Scotland Excel through The Living Wage Foundation would be £200 per year.

### **3. Recommendations**

Committee is requested to note the contents of this report and to give approval for Scotland Excel to pursue accreditation as a Living Wage Employer.