

Living Wage Procurement Update

Feb 2015

In Briefing 56 we set out how the Scottish Living Wage could be extended through procurement using the provisions of the Procurement Reform (Scotland) Act and in local government using the s52 statutory guidance

We had expected the Procurement Reform Act statutory guidance on the living wage to be in place by now. However, this has been delayed. As an interim measure a Scottish Procurement Policy Note, 'Evaluating employment practices and workforce matters, including living wage, in public contracts' has been published. While this is not as good as statutory guidance and has some omissions, it does explain how public bodies can legally ensure the living wage and other employment matters are included in contracts.

A number of branches have reported that, in local authorities in particular, legal and procurement advice has persisted with the erroneous position that the living wage and other workforce matters cannot be included in contracts. This policy note is helpful in challenging that advice and includes a practical case study piloted by the Scottish Government and model specifications. It is important to emphasise that the weighting given to staff intensive contracts, such as social care, should be much higher than the pilot procurement quoted in the policy note.

New evidence that councils are ignoring the requirements of s52 comes in [The Third Annual Report Scottish Local Government Benchmarking Framework](#). S52 is supposed to end the two tier workforce yet they report an 8% increase in privatised social care services and say that this, "**has contributed to reduced costs through lower salary and pension costs**". There could not be a clearer admission of unlawful procurement in an official report. We have raised the need for further direction on this point yet again with ministers.

The Scottish Government has also published a consultation on the transposition of the latest EU Procurement Directive into Scottish procurement regulations. There are a number of options available to ministers and we will be pressing for a much more radical approach in line with the 'Ten Asks' we promoted with a network of civil society partners during the Procurement Reform Act's legislative journey. If branches have views on any aspect of this consultation please let us know.

The interim advice on workforce matters should help inform better procurement on workforce matters. Contact Dave Watson or Fiona Montgomery for further advice. d.watson@unison.co.uk f.montgomery@unison.co.uk

Public Procurement Consultation

www.scotland.gov.uk/Publications/2015/02/4903

SPPN:Employment practices and workforce matters, including living wage

www.scotland.gov.uk/Resource/0046/00469535.pdf

UNISON Briefing on extending Living Wage through procurement

www.unison-scotland.org.uk/briefings/b056_BargainingBrief_ExtendingLivingWage_July2014.pdf

Procurement Reform (S) Act 2014

www.legislation.gov.uk/asp/2014/12/contents/enacted

Ten civil society asks for the Bill

www.stopclimatechaos.org/sites/default/files/Procurement-10asks-final.pdf

For more information please contact UNISON's Bargaining and Campaigns team on 0141 342 2811, or email d.watson@unison.co.uk



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