

Let's roll out the Scottish Living Wage through all public contracts

Support the Scottish Living Wage amendment to the Procurement Reform Bill

We urge all MSPs to support an amendment to the Procurement Reform (Scotland) Bill to stipulate that payment of the Scottish Living Wage, currently £7.65 an hour, will be a condition for performance of public contracts.

1 in 5 Scots earn less than the living wage. Many public services are outsourced to the private and voluntary sectors, including social care.

Scottish Living Wage is already working well in the public sector. This amendment is the next step in making the Scottish Living Wage the norm.

Scotland's public sector has been doing well at backing the living wage. It is now boosting the pay of workers directly employed by government, the NHS and councils. Politicians of all parties deserve credit for this. They have recognised that paying the Scottish Living Wage, currently £7.65 an hour, is good for staff, employers and the economy.

It is good for workers who benefit from higher pay, improved health and job motivation. It is good for employers, because it reduces turnover, improves productivity and attracts better staff through reputational gain. And the wider community gains through cash into the local economy, lower benefit costs and less stress on the NHS.

But one in five Scots still earn below living wage levels. And many public services are outsourced to the private and voluntary sectors, including in vital areas such as social care. It is time to roll out the Scottish Living Wage to all those employed on public contracts.

At a time when workers have experienced the longest real wage squeeze since 1870, with inflation going up faster than pay for 43 months, this is the way to make a major step forward by boosting the income of many thousands more low paid families in Scotland.

This month there is an opportunity to amend the Procurement Reform Bill and we urge all MSPs to support an amendment to this bill (see over). The Scottish Government makes no mention of the living wage in the Bill.

Deputy First Minister Nicola Sturgeon, in announcing welcome support for a living wage accreditation scheme, said in 2013: "We intend to make decent pay the norm, not the exception, in our rich country." We urge MSPs to take this vital step to making this vision a reality.

The amendment is based on clear sound <u>legal advice</u> which says that it is possible to stipulate payment of the living wage as a condition for performance of the contract.

London Mayor Boris Johnson also has strong legal advice in favour and the London Assembly is confident of the advice, as noted in the Economy Committee's Feb 2014 report 'Making the London Living Wage the norm'.

Surely if London is rolling out the living wage to contracts across the UK capital, Scotland can take a similar step to making decent pay the norm here?

Living Wage amendments

36 In section 8, page 3, line 33, at end insert <, and () the Scottish living wage duty.>

39 After section 9, insert—

<Scottish living wage duty

- (1) For the purposes of this Act, the Scottish living wage duty is the duty of a contracting authority to specify in the contract notice relating to a regulated procurement that it intends to impose a condition relating to the performance of the contract that the economic operator who is the successful tenderer must pay the Scottish living wage.
- (2) An economic operator pays the Scottish living wage if the remuneration of each of its employees who undertakes any activities related to the performance of the contract is at least the Scottish living wage.
- (3) The Scottish Ministers must by regulations define the Scottish living wage for the purposes of this Act, and may from time to time as they see fit revise such definition.>

Supported by:















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