

Scottish Living Wage



Introduction

The 5-9 November is Living Wage Week. This is an opportunity to promote the Scottish Living Wage, currently at £7.20 per hour, although the new rate will be £7.45. The Scottish Living Wage campaign supported by UNISON Scotland has a number of events planned for this week.

Case for a Living Wage

The Scottish Living Wage is good news for workers as they get higher wages that also improves health and job motivation. It's good for employers because it reduces turnover, improves productivity and attracts better staff through reputational gain. The wider community benefits through lower benefit cost, less stress on the NHS and cash into the local economy.

The Institute of Fiscal studies has calculated sub-living wage employers cost the taxpayer £6bn a year in in-work benefits alone. The indirect cost on poverty is around £25bn a year.

In contrast the cost to employers is minimal at around 1% of wage bill. Even in the retail sector it is only 5%. As a recent study of the London Living Wage shows, even that can be recouped through decreased turnover and better productivity. Even Boris Johnson, the Tory Mayor of London said, "I believe that paying decent wages reduces staff turnover and produces a more motivated and productive workforce".

The Scottish Parliament Local Government Committee has produced a detailed [report](#) on the Scottish Living Wage that covers many of the key issues and broadly supported its introduction.

UNISON Scotland Strategy

Our strategy for securing the Scottish Living Wage has three elements:

Bargaining: Almost all the public sector in Scotland is now committed to paying the Scottish Living Wage with less than 3% of the workforce not covered. Just a few councils left and they are largely run by parties with a manifesto commitment to deliver it.

Procurement: The vital next step is to use the forthcoming Procurement Bill (see over). If councils properly applied s52 provisions now, we would already be spreading the benefits to the private and voluntary sectors.

Encouragement: Councils like Glasgow recognise the status of Living Wage Employer and give it reputational benefits. Local campaigns and the [Scottish Youth Parliament](#) have also been active in promoting the benefits. We are urging the Scottish Government to establish a Living Wage Unit to support this work.

KEY POINTS:

- This is Living Wage Week.
- The Scottish Living Wage is good for workers, employers and the wider community.
- The taxpayer subsidises low pay employers by £6bn.
- UNISON Scotland strategy includes bargaining, procurement and employer encouragement
- Scottish Government can take four actions to support the living wage.
- Branches can play their part through bargaining and lobbying.



Contact UNISON's
Bargaining & Campaigns
team:

Dave Watson
d.watson@unison.co.uk

0141 342 2842
0845 355 0845

Government action

UNISON, the Scottish Living Wage Campaign, STUC and others have come together to persuade the Scottish Government to take further action including in the forthcoming Procurement Bill to promote the Scottish Living Wage. There are four key demands:

- Use the Procurement Reform Bill to amend the Public Contracts (Scotland) Regulations 2006 to require that the living wage is a part of any contracting authorities bid for a public sector contract.
- Seek to influence the European Commission to remove any perceived barriers in EU Directives that prevent the inclusion of the living wage in procurement.
- Establish a Living Wage Unit to advise on, promote and oversee the living wage in the public sector and in procurement.
- In partnership with stakeholders, develop and produce a Code of Practice on promoting the living wage in procurement.

Scottish Labour MSP, John Park is also consulting on his private members bill that also seeks to achieve the above objectives.

UNISON believes that payment of the living wage can be included as a contract performance clause that sets out how the contract is to be performed and must be accepted by the successful tenderer. The Local Government Committee [report](#) (Para 98) covers this in more detail and includes a positive Counsel [opinion](#) that branches can refer to. The legal risk is largely theoretical as there have been no successful challenges to the policy in the UK.

The EU is also reviewing the Directives that are perceived to be a barrier to procurement clauses. UNISON is working closely with Scottish MEPs to ensure there are no European procurement barriers.

Government's also need to recognise the broader economic case for an increase in real wages. The shift in incomes from workers to the very rich is a key cause of the longest and deepest recession in a generation. Low paid staff spend more of their income locally.

Action for Branches

While we have made good progress in achieving the Scottish Living Wage, nearly one in four Scots are still earning below that level. This includes many UNISON members in the community and private sectors.

The Bargaining support [link](#) has a wide range of resources to support your local living wage campaigns. In addition to posters and leaflets there are factsheets on every aspect of the debate.

Lobby your local MSPs to support the four actions listed above and UNISON's response to the Procurement Bill consultation. You can also make a positive response to John Park MSP's Bill consultation.

Further info

Bargaining Support

<http://www.unison.org.uk/livingWage/index.asp>

UNISON response to Procurement Bill consultation

http://www.unison-scotland.org.uk/response/ProcurementReformBill_Response_Nov2012.pdf

John Park MSP's Bill

<http://www.scottish.parliament.uk/parliamentarybusiness/Bills/53618.aspx>

London Living wage evaluation report

<http://www.geog.qmul.ac.uk/livingwage/>

Scottish Youth Parliament – Fair Wage Campaign

<http://www.syp.org.uk/one-fair-wage-W21page-345->

Dave Prentis and David Miliband on the living wage

<http://www.guardian.co.uk/commentisfree/2012/nov/03/miliband-prentis-living-wage>



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