



REPORT TO: POLICY & RESOURCES COMMITTEE 27 NOVEMBER 2018

SUBJECT: LIVING WAGE ACCREDITATION

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 Committee is invited to consider and approve the proposal to seek Living Wage Accreditation for the Council.
- 1.2 This report is submitted to Committee in terms of Section III (B) (27(b)) of the Council's Scheme of Administration relating to the formulation, supervision and implementation of and review of the employment policies and practices of the Council in relation to the remuneration, conditions of service and allowances of all posts.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider and approve the attainment of Living Wage accreditation providing Living Wage Employer status.**

3. BACKGROUND

- 3.1 The Scottish Living Wage Accreditation Initiative was established in April 2014 with the purpose of increasing the number of accredited organisations across Scotland as a 'Living Wage Employer'. To become accredited employers must confirm that all directly employed staff are paid the Living Wage bar apprentices and interns. In addition, staff of all contracted organisations that regularly provide services for the Council must either be paid the Living Wage or have a plan in place to move these staff to the Living Wage. The accreditation body works with organisations to ensure that the criteria are satisfied and a nominal fee applies in the event of accreditation, currently in the region of £1,000.
- 3.2 The benefits of accreditation are deemed to be enhanced quality of work, improved loyalty and customer service (fewer complaints), reduced absenteeism, improved retention rates and enhanced general reputation.
- 3.3 Moray Council signed up to paying the Living Wage to direct employees in 2012 at the meeting of this Committee on 20 March 2012 (paragraph 26 of the

minute refers). While all Scottish Local Authorities now pay their employees at or above the current Scottish Local Government Living Wage rate, recent information indicates that 16 Scottish Councils are also currently Living Wage accredited. While there are recognised complications with the Living Wage and commissioning and procurement of provider organisations, the number of Scottish Local Authorities that are now accredited suggests that these difficulties can be overcome.

- 3.4 As Moray Council already pays the Scottish Local Government Living Wage to its direct employees, agreeing to sign up to accreditation will commit the Council to progressing towards ensuring that all contracted staff are being paid the Living Wage. At present in Moray, contracted organisations submitting tender bids are asked to confirm whether they apply the Living Wage but this is for information purposes only and does not form part of the decision making process. Moving to being accredited as a Living Wage Employer will mean asking contracted organisations to sign up to a set of achievable milestones within agreed timescales, which are monitored.
- 3.5 There are two main areas of contracted work that require particular consideration: social care and construction. Discussions with the service managers indicate that most partner providers in both areas are already paying the Living Wage (or above) to their employees.
- 3.6 Feedback from councils who are accredited indicate that while there is an initial setting up process, the day to day maintenance of the accreditation process is not overly onerous. It is anticipated that the workload for achieving accreditation would be co-ordinated by HR with individual services responsible for the day to day contact and liaison with relevant contracted service providers.
- 3.7 Concerns regarding managing the administrative impact of achieving and maintaining Living Wage Accreditation have been investigated with a number of other accredited councils. There are a variety of ways of managing the impact and it is anticipated that this can be mitigated through learning from the experience of those councils e.g. using shared templates and established procedures.

4. SUMMARY OF IMPLICATIONS

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))** – Living Wage accreditation supports the Council's commitment to be a good employer.
- (b) **Policy and Legal** – As outlined in the body of this report with regard to procurement policy.
- (c) **Financial implications** – None other than the annual accreditation fee.

- (d) **Risk Implications** – a small number of commissioned service providers may not wish or be in a position to sign up to paying the Living Wage however it is not possible to assess the likelihood or impact of this risk at this stage.
- (e) **Staffing Implications** – there are no direct staffing implications however the increased administrative work will require to be borne by the services that procure with external service providers.
- (f) **Property** – there are none.
- (g) **Equalities/Socio Economic Impact** – the purpose of the Living Wage is to address low pay and achieving Living Wage Accreditation demonstrates the Council's commitment to this principle and encourages commissioning partners to do the same.
- (h) **Consultations** – The Senior Commissioning Officer for the IJB, the Procurement Manager and the Corporate Management Team have been consulted and their views with mitigating actions are contained within the contents of this report.

5. **CONCLUSION**

5.1 **Committee are asked to consider and approve the achievement of Living Wage accreditation to achieve Living Wage Employer status.**

Author of Report: Frances Garrow, Joint Acting Head of HR & ICT
Background Papers:
Ref: The Living Wage Report to P & R on 20 March 2012