

LIVING WAGE ACCREDITATION

Executive summary

1. There has been considerable coverage of the living wage within the media in recent weeks, and as such Parliament officials have been considering this subject in conjunction with The Scottish Living Wage Foundation Group. The purpose of this paper is to seek the SPCB's approval to engage with our contractors to ensure that all contractor staff who are employed exclusively and directly to work at the Parliament are in receipt of the living wage.

Issues and Options

2. Initial discussions have already taken place with these contractors and we would not envisage any major hurdles to achieving this goal, subject to the SPCB's approval. We would hope to have these changes in place by 1 January 2015.

3. The new Scottish living wage, announced 3 November 2014, is £7.85 and currently all parliamentary staff are paid above this hourly rate.

Resource Implications

4. Taking into account current salary increase dates, the likely annual cost of living increases (1.6%) that the contractors will get, and recognising some differentials within the contractor pay scales for only those staff that are close to the living wage, the increase would be in the region of £15K. However if the living wage was to be applied as soon as practical, likely 1 January, then the cost would be around £21K. Further detail on the contingencies and implications of any differing proposals in terms of delivery date for the living wage increases can be provided as required.

5. There is a risk that our labour costs for the relevant contracts will rise above average wage rises, as the living wage has increased by 9.03% over the last three years. If this trend was to continue the effect could be an additional 1% salary increase above their 'normal' increase. This could be approximately £7k per annum, although this can only be a roughly estimated figure.

Living Wage Accreditation

6. This is not essential but gaining accreditation tangibly demonstrates the commitment the Parliament has to the living wage initiative. Living wage accreditation is awarded by The Living Wage Foundation. The Scottish Living Wage Foundation group has recently approached the Parliament in this regard. Subject to the SPCB's agreement, Parliament officials can work with

The Living Wage Foundation to seek accreditation. We would not envisage any major obstacles to gaining accreditation although this may not be achieved until after the 1 January 2015 implementation date.

Governance issues

7. This paper takes into account issues around equality and has been discussed with the Solicitor's Office.

Publication Scheme

8. This paper may be published in line with the SPCB's Publication Scheme.

Next steps

9. Following the SPCB's agreement to proceed we will enter into consultation with our contractors with a view to agreeing a date for the implementation of amendments to ensure living wage standards are met as outlined above.

Decision

10. This paper invites the SPCB to provide approval to engage with our contractors to ensure that all contractor staff working at the Parliament are in receipt of the living wage.

11. We would further seek approval to apply for Living Wage Accreditation with The Scottish Living Wage Foundation.

**Human Resources Office
November 2014**