SUBMISSION FROM GLASGOW CITY COUNCIL

Introduction and Background

1. The Glasgow Living Wage was launched by Glasgow City Council in March 2009. At the time, it set a new guaranteed minimum standard of income for all Council workers, set at £7 an hour. In taking this decision, the Council raised the salaries of 700 of its lowest paid staff.

Glasgow Living Wage Level

2. The figure of £7 per hour was based on research carried out by the Joseph Rowntree Foundation which looked at developing a formula for calculating a minimum income standard. For their purposes, a Living Wage could be defined as the level of income needed to provide an acceptable standard of living in Britain to ensure good health, adequate child development and social inclusion. Following detailed research, they concluded that the living wage for a single working age adult in the UK was £6.88 an hour.

3. Since the Glasgow Living Wage was established in 2009, the hourly rate has been increased on two occasions in line with the Scottish Living Wage Campaign. The hourly rate is currently £7.15 per hour and this will increase to £7.20 per hour from the 1 April 2012.

Glasgow Living Wage Employers

4. Employers in the city who pay all of their staff at or above the Glasgow Living Wage Level have been recognised by the Council with the status of “Glasgow Living Wage Employer”. These businesses are listed on the Glasgow Living Wage website and in the appendix to this briefing. They are

5. Currently, 167 public and private sector employers, with over 50,000 staff, have now committed to pay their staff a minimum of £7.20 per hour from 1 April 2012 and have achieved ‘Glasgow Living Wage Employer’ status.

Monitoring

6. Employers are asked to confirm that they are paying all of their employees at or above the Living Wage level. The names of those who sign up as a ‘Living Wage Employer’ are published online and these employers are taken on trust that they will pay all of their staff accordingly.

7. When the hourly rate has been increased, all employers have been required to confirm that they will pay at the higher rate or they will be removed from the list of ‘Living Wage Employers’.
Evaluation

8. To date, no formal evaluation has been carried out of the Glasgow Living Wage. Initial discussions have taken place and work will be carried out over the coming months to analyse the impact of the Glasgow Living Wage.

Procurement

9. Glasgow City Council, keen to widen the impact of the policy, has worked within the current legislative framework to encourage contractors to pay the Living Wage. It is the view of Glasgow City Council that companies who benefit from public money demonstrate that they are putting something back into their communities and that procurement policy be used to raise standards of pay across the city.

Benefits of a Living Wage


The report clearly states:

“The living wage campaign, which is based on the basic premise that ‘anyone who works for a living should not have to raise a family in poverty’, has a role to play. Other employers, including the NHS, universities and the private sector, should be encouraged to adopt the Scottish Living Wage and to provide support for both their direct and indirect employees to help mitigate the effects of the economic downturn, particularly for low-paid workers.”

The Director of Public Health also highlights the benefits of adopting a living wage to employers “through labour-cost savings, through reduced absenteeism and turnover and workers have become more efficient and productive as they feel more valued.”

Glasgow City Council

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