



The Scottish Parliament
Pàrlamaid na h-Alba

**Local Government and
Regeneration Committee**

2nd Report, 2012 (Session 4)

**Report on the Living Wage in
Scotland**

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Local Government and Regeneration Committee

2nd Report, 2012 (Session 4)

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The Scottish Parliament
Pàrlamaid na h-Alba

Local Government and Regeneration Committee

Remit and membership

Remit:

To consider and report on a) the financing and delivery of local government and local services, and b) planning, and c) matters relating to regeneration falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment.

Membership:

Joe FitzPatrick (Convener)
Anne McTaggart
Margaret Mitchell
John Pentland
Kevin Stewart (Deputy Convener)
David Torrance
Bill Walker

Committee Clerking Team:

Clerk to the Committee

Eugene Windsor

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Committee Assistant

Michael Ofori-Adu



The Scottish Parliament
Pàrlamaid na h-Alba

Local Government and Regeneration Committee

2nd Report, 2012 (Session 4)

Report on the Living Wage in Scotland

The Committee reports to the Parliament as follows—

BACKGROUND

1. The Local Government and Regeneration Committee agreed to hold a short inquiry into the living wage at its meeting on 26 October 2011. The Committee had first discussed the possibility of undertaking work on the living wage at its business planning day on 2 September 2011. Following a session on workforce issues in the context of the Committee's scrutiny of the Spending Review 2011 and Draft Budget 2012-13, members expressed an interest in carrying out further work in this area.

Introduction

2. The aim of the inquiry was to consider issues relating to the benefits of a living wage for individuals, families and communities; the introduction of a living wage by local authorities; and the extent to which procurement could include criteria linked to the payment of a living wage.

3. In broad terms, a living wage is intended to provide a means of addressing in-work poverty by providing a level of income that enables households adequately to provide for themselves. It is a voluntary arrangement that has developed as a result of a national campaign, and is to be distinguished from the national minimum wage, which is a UK-wide minimum wage (currently set at £6.08 per hour for adults over the age of 21 and £4.98 per hour for young people aged 18 - 20).

Evidence taking

4. The Committee agreed to hold three evidence-taking sessions on the topic during December 2011. On 7 December 2011, the Committee took evidence firstly from Donald Hirsch, Head of Income Studies, Centre for Research in Social Policy, Loughborough University; Chris Goulden, Policy and Research Manager, Joseph Rowntree Foundation; Rhys Moore, Director, Living Wage Foundation; and Peter Kelly, Director of the Poverty Alliance, and secondly from Dave Moxham, Deputy General Secretary of the Scottish Trade Union Congress,

Scottish Living Wage Campaign; Annie Gunner Logan, Director, Coalition of Care and Support Providers in Scotland CCPS; Nick Waugh, Policy Officer, Scottish Council for Voluntary Organisations; Dave Watson, Scottish Organiser, UNISON; Pat Rafferty, Scottish Secretary, Unite the Union; and Danny Williamson, Industrial Officer, Public and Commercial Services Union (PCS).

5. On 14 December 2011, the Committee took further evidence, by video-conference, from Jeremy Skinner, Senior Manager for Economic and Business Policy at the Greater London Authority; Julie Amory, Head of Equality and Inclusion; and Loraine Martins, Former Head of Equality, Inclusion, Employment and Skills, Olympic Delivery Agency. On the same day, the Committee held a round-table discussion, and took evidence from Councillor Michael Cook, Strategic Human Resource spokesperson, COSLA; Caroline Innes, Deputy Chief Executive, East Renfrewshire Council; David Coyne, Head of Business and the Economy, Development and Regeneration Services, Glasgow City Council; Elma Murray, Chief Executive, North Ayrshire Council; Kay McVeigh, Head of Personnel Services, South Lanarkshire Council; and Paul McGowan, Human Resource Business Partner, West Dunbartonshire Council.

6. On 21 December 2011, the Committee took evidence from Iain Moore, Head of Procurement Policy Branch, Scottish Government; Dorothy Cowie, Director, Scotland Excel; Patrick McGuire, Thompson Solicitors; and then from John Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth, Iain Moore, Head of Procurement Policy Branch, and Calum Webster, Policy Officer, Employability and Tackling Poverty Policy, Scottish Government.

7. In its final session, on 18 January 2012, the Committee took evidence from Colin Borland, Head of External Affairs, Federation of Small Business Scotland and Amy Dalrymple, Policy and Research Manager, Scottish Chambers of Commerce.

CONTEXT SETTING

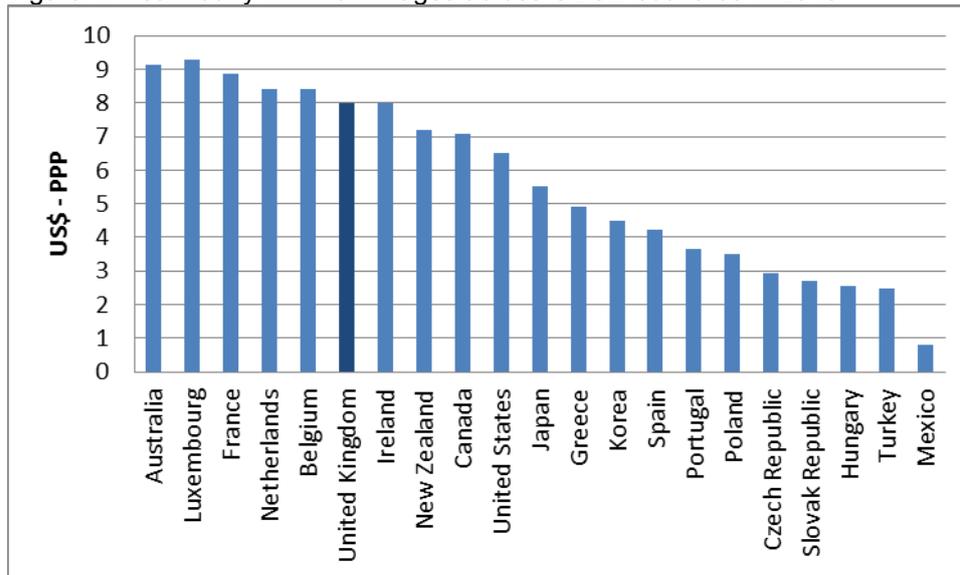
Introducing a legal price floor for wages - the National Minimum Wage

8. The National Minimum Wage (NMW), introduced in 1999 following the UK Parliament passing the National Minimum Wage Act 1998, is a minimum amount per hour that most workers in the UK are entitled to be paid. The main rate is currently £6.08 for workers aged 21 and over, although there are lower rates for younger workers and apprentices.

9. Figure 1 shows minimum wages across OECD countries in 2010, based on US dollars, adjusted for purchasing power parity (PPP)¹. The UK's NMW is currently at the higher end of minimum wages across OECD countries, but below that of some other European countries such as Luxembourg, France and the Netherlands.

¹ The PPP adjustments eliminate the differences in price levels between countries.

Figure 1: Real hourly minimum wages across OECD countries in 2010



Source: [OECD](#) 2012

10. In general, views with regard to the appropriate level of minimum wage fall broadly into two camps. Those organisations representing employers tend to urge caution whereas those representing employees tend to call for an increase to protect the lowest-paid workers.

The impact of the national minimum wage on the labour market

11. Prior to its introduction, it was estimated that 1.4 million jobs in the UK paid earnings below the NMW. The four broad industry sectors with the largest numbers of jobs affected were: wholesale and retail, hotels and restaurants, business services and health and social work².

12. The question of whether or not introducing the minimum wage led to reductions in levels of employment has been debated greatly over the years and much research has been undertaken in this area. The Low Pay Commission stated in its most recent report that the bulk of evidence shows that while employers have responded to increased labour costs through adjusting non-wage costs, such as pensions and annual leave entitlement, and adjusting pay structures “the evidence available to date suggests that minimum wages do not appear to have cut employment to any significant degree”.³ The report also noted that although there was evidence that some firms had responded by reducing hours, raising prices or accepting lower profits, the reduced hours did “not appear

² Forth, J and O’Mahony, M. (2003) *The impact of the National Minimum Wage on labour productivity and unit labour costs*, National Institute of Economic and Social Research. Available at: <http://www.lowpay.gov.uk/lowpay/pdfs/forth.pdf> [Accessed 2 February 2012]

³ Low Pay Commission. (2011) *National Minimum Wage Report 2011*. Available at: http://www.lowpay.gov.uk/lowpay/report/pdf/Revised_Report_PDF_with_April_date.PDF [Accessed 2 February 2012]

to have reduced weekly earnings” and the lower profits had “not led to business closures”.⁴

13. It should be noted, however, that much of this research was conducted at a time when the economy was performing strongly. The current economic climate has renewed concerns that the minimum wage could adversely affect employment and businesses. There are some indications that it may be having an impact on youth employment in particular. The Low Pay Commission Report 2011 states that “While in general the research we commissioned for this report continued to show minimal effects of the minimum wage on employment, it did find some evidence to suggest that young people may have been adversely affected by the minimum wage, especially in a recession”⁵.

HISTORY OF THE LIVING WAGE

14. The modern history of the living wage is rooted in a campaign dating back to 2001, led by [London Citizens](#), an alliance of community organisations in London. The movement stemmed from a ‘listening campaign’ that had been held by London Citizens in 2000, to discover the pressures on family and community life in the East End. The common theme that had emerged from the campaign was that parents had less time to spend with their children and with their communities because both parents were working, sometimes in two or three jobs, to make ends meet.

15. According to written evidence received by the Committee,⁶ in the ten years since its launch, the living wage campaign “has become a powerful force for change”. The same evidence claims that over 10,000 families have been lifted out of working poverty as a direct result of the campaign and that over 140 employers have adopted the living wage. In the public sector, this includes eleven local authorities, four hospitals, one central government department, fourteen universities, all members of the Greater London Authority group⁷ and “the world’s first living wage Olympics”. The submission also claims that there is “now prominent support for the living wage from businesses including KPMG, Barclays and Linklaters”. Finally, the submission claims that the living wage campaign “enjoys support and recognition across the political spectrum” and cites the current Mayor of London and his predecessor as enthusiastic supporters.

16. The UK living wage campaign was launched on 2 May 2011 by Citizens UK. This national body is a response to the growing interest in the living wage in other parts of the UK, including Scotland. The Living Wage Foundation oversees the accreditation of living wage employers. One of its first actions was to propose a

⁴ Low Pay Commission. (2011) *National Minimum Wage Report 2011*. Available at: http://www.lowpay.gov.uk/lowpay/report/pdf/Revised_Report_PDF_with_April_date.PDF [Accessed 2 February 2012]

⁵ Low Pay Commission. (2011) *National Minimum Wage Report 2011*. Available at:

http://www.lowpay.gov.uk/lowpay/report/pdf/Revised_Report_PDF_with_April_date.PDF

⁶ Hirsch, D and Moore, R, (2011) *The Living Wage in the United Kingdom – Building on Success*, cited in Scottish Living Wage Campaign. Written submission.

⁷ GLA Group - the Greater London Authority (GLA), Transport for London (TfL), the London Development Agency (LDA), the London Fire and Emergency Planning Authority (LFEPA) and the Metropolitan Police Authority (MPA) / Service (MPS).

methodology for calculating the living wage outside London. A round-table discussion held in March 2011 agreed methodology based on a draft paper produced by Donald Hirsch, Centre for Research in Social Policy (CRSP), and Rhys Moore, Citizens UK. This methodology establishes the UK living wage outside London as £7.20 per hour for 2011.

Living wage in Scotland

17. The Scottish Living Wage Campaign (SLWC) was established in 2007. It is led by the Poverty Alliance and the STUC and supported by the Church of Scotland, Unison, Unite the Union, GMB, PCS, Oxfam and the Child Poverty Action Group. Written evidence submitted to the Committee by the SLWC⁸ noted that since the establishment of the campaign, the Scottish Government had introduced the living wage for directly employed staff, staff in its agencies and the NHS. Additionally, seven local authorities⁹ had adopted the living wage, generally through a process of local negotiation. The SLWC estimates that “around 15,000 workers in the public sector have benefited from the adoption of living wage policies”.¹⁰

What is a living wage?

18. According to the written evidence received by the Committee from Donald Hirsch¹¹ of the CRSP at Loughborough University, the living wage is based on a calculation of the “Minimum Income Standard for the United Kingdom (MIS)”. This is “an estimate of the minimum income that households need in order to afford a minimum acceptable standard of living, as defined by members of the public” and is based on “regular research on what the public think, supported by expert knowledge.”

19. The CRSP submission¹² explains that the MIS is calculated by “specifying baskets of goods and services required by different types of household in order to meet these needs and to participate in society”. In practice, this is achieved by a “sequence of groups” having detailed negotiations about “what things a family would have to be able to afford in order to achieve an acceptable living standard”. These specifications are then “checked by experts to ensure that they meet basic criteria such as nutritional adequacy”. Each group “typically comprises six to eight people from a mixture of socio-economic backgrounds”, but the submission notes that “each group has people from the particular demographic category under discussion, for example, pensioner groups decide the minimum for pensioners.”

20. CRSP argues that the MIS “covers needs, not wants, necessities, not luxuries”. Although the MIS includes food, clothes and shelter, CRSP states that it

⁸ Scottish Living Wage Campaign, written submission.

⁹ Glasgow City Council, West Dunbartonshire Council, East Renfrewshire Council, North Ayrshire Council, South Lanarkshire Council, Scottish Borders Council and Dumfries and Galloway Council.

¹⁰ SLWC. Written submission.

¹¹ Centre for Research in Social Policy. Written submission.

¹² CRSP. Written submission.

is also “about having what you need in order to have the opportunities and choices necessary to participate in society”.¹³

21. CRSP further argues that the MIS “offers a way of relating a living wage to contemporary definitions of what is needed for an acceptable living standard” and that two key characteristics make it suitable for this purpose. These are that it is “rooted in public consensus not an arbitrary calculation by experts” and that it is “regularly updated supported by new research”. According to CRSP, this means that the calculation “will change over time not just with the cost of living but also with social norms,” which gives it a “long-term durability,” rather than being “a one-off calculation fixed in attitudes to the minimum at a point in time”.

Current wage levels in Scotland

22. It is currently estimated that around 550,000 employees on adult rates in Scotland are paid earnings below the living wage. Information from the Annual Survey of Hours and Earnings (ASHE) can be used to identify the characteristics of these lower paid employees.

23. Table 1, for example, shows that a higher percentage of employees in the private sector in Scotland earned less than £7.20 per hour in 2011, than employees in the public sector.

Table 1: Percentage of employees earning less than £7.20 per hour by public/private sector, 2011

Gross hourly pay	Scotland
Public sector	3.9%
Private sector	28.1%

Source: ASHE 2011 (provisional)

24. Table 2 shows that in relation to gender, a higher percentage of females earned less than £7.20 per hour in 2011 compared to males.

Table 2: Percentage of employees earning less than £7.20 per hour by gender, 2011

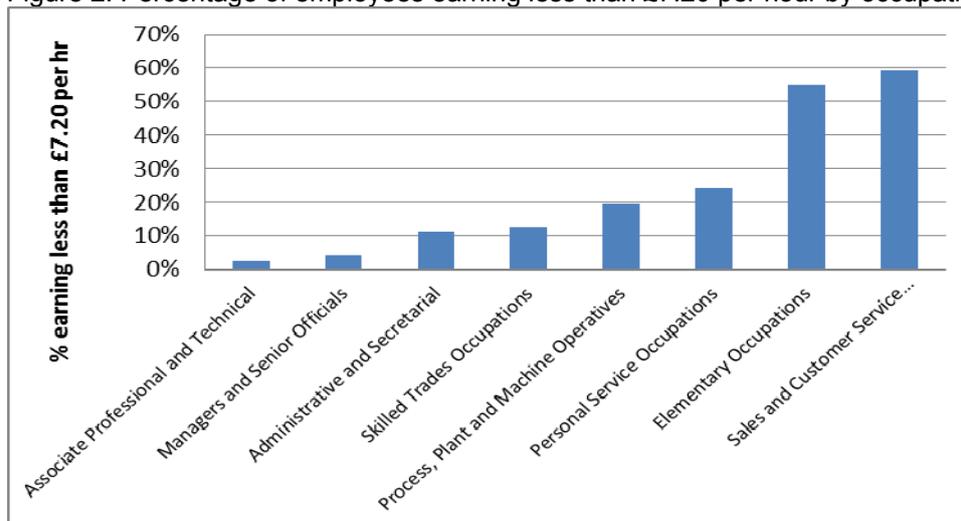
Gross hourly pay	Scotland
Male	14.6%
Female	22.6%

Source: ASHE 2011 (provisional)

25. Lastly, Figure 2 shows that sales and customer service occupations and elementary occupations (e.g., labourers, cleaners, kitchen and catering assistants) had the largest percentage of employees earning less than £7.20 per hour in 2011.

¹³ CRSP. Written submission.

Figure 2: Percentage of employees earning less than £7.20 per hour by occupation, 2011



Source: ASHE 2011 (provisional)

26. Therefore, the implementation of a living wage would have a larger impact on some employers and employees than on others. The impact of implementing a living wage through public sector procurement would have differential effects depending on the type of contract and aspects such as the nature of earnings and employment in the specific region, sector and organisation concerned. For example, the implementation of the living wage through a cleaning contract might impact on a higher proportion of employees compared to other contracts and might have also impact on more female employees than male employees, given that there are typically more females than males employed in that occupation.

EVIDENCE ON THE LIVING WAGE

General points

27. The SLWC argued in its written submission to the Committee¹⁴ that the living wage was of benefit to employers, employees, communities and the economy more generally. This, it continued, was particularly the case when household budgets were under pressure with rising energy and food bills and downward pressure on wages. SLWC argued that low pay, reductions in the adequacy of terms and conditions, a lack of affordable childcare and the likelihood of increased conditionality and sanctions around benefits were “likely to make work unaffordable for many”. It concluded that although a living wage was “not a panacea” it did “at least tip the scales somewhat in favour of hard pressed individuals and families” and had a “vital role in protecting those on very low incomes”.

28. SLWC¹⁵ also argued that living wage provided benefits for employers. It cited a Greater London Authority (GLA)-commissioned independent report¹⁶ into the

¹⁴ Scottish Living Wage Campaign. Written submission.

¹⁵ Scottish Living Wage Campaign. Written submission.

¹⁶ GLA Economics (2009) *An independent study of the business benefits of implementing a Living Wage policy in London*. London Economics. Available at: http://www.london.gov.uk/mayor/economic_unit/docs/living-wage-benefits-summary.pdf [Accessed 2 February 2012]

business benefits of implementing a London living wage, which concluded that there were “significant benefits” for employers in terms of workers’ morale and motivation, lower rates of absenteeism and sick rates and evidence of enhanced quality of work. SLWC also reported that the GLA study had found evidence of lower rates of staff turnover, cost savings on recruitment and induction training, employees being more likely to stay with organisation and benefits in terms of the tenure of workers and continuity of workforce.

Poverty reduction and economic justice

29. Many of the Committee’s witnesses argued that the living wage was required as a measure within a wider strategy of reducing poverty and promoting economic justice. Chris Goulden of the Joseph Rowntree Foundation, for example, told the Committee that the foundation had carried out research that indicated that child poverty cost the economy “at least £25 billion a year in extra spending on services and the lost earnings in the adult lives of people who grow up in poverty”.¹⁷ Acknowledging that “no single measure” would, in itself, tackle poverty and that there was always a risk that policy initiatives would be “siloes in departments”, he stated that pay measures were “a necessary and crucial part of a wider anti-poverty strategy”.¹⁸

30. Donald Hirsch of CRSP expressed a view that echoed current moves towards the preventative spending agenda. He told the Committee that the living wage could “contribute to a strategy for spending on fewer services that help people whose lives go wrong by ensuring that their lives do not go wrong in the first place”.¹⁹

31. Peter Kelly, of the SLWC, told the Committee that in Scotland, the UK and globally, levels of income inequality had risen. He added that one of the drivers of the rise had been the growth in incomes at the higher levels, while wages at lower levels had tended not to increase at anywhere near the same rates. The living wage could, therefore, where employers had the resources to introduce it, “start to bring an element of justice”.²⁰

Making work more attractive

32. A key beneficial effect claimed for the living wage is that it can make work—rather than remaining on benefits—a more attractive prospect. Glasgow City Council told the Committee—

“We have experience in Glasgow of working with long-term and short-term unemployed people applying for jobs in a variety of contexts. An important part of the process is doing the better-off calculation and money advice work with people as they approach employment. Historically, minimum-wage jobs

¹⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 402.

¹⁸ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 406.

¹⁹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 408.

²⁰ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 412.

have struggled to make sense financially, particularly for families. Living-wage jobs make much more sense and are more attractive. All the direction of travel in benefit policy is for in-work benefits to reduce, so I anticipate that living-wage jobs will become more attractive than minimum-wage jobs”.²¹

33. Donald Hirsch noted²² that over the past 15 years tax credits and forms of in-work support had been introduced in order to combat child poverty. However, in the process, “an excess of in-work dependence” on the state had been created. He argued that there was a—

“... general consensus that we should start to move away from that and to redress the balance, not least because it is expensive for the public purse if most of the remuneration for some people who are in work comes from the state rather than from the private employers that pay them.”²³ ... the living wage will not achieve that on its own, but it is an important step in that direction”.²⁴

Questions over the effectiveness of the living wage

34. On the other hand, written evidence submitted to the Committee by COSLA²⁵ cast some doubts over whether the living wage was an effective way of addressing poverty. Observing that increasing pay, in itself, did “not necessarily tackle poverty effectively”,²⁶ the submission noted that for households on low incomes, the introduction of a living wage might be offset by reductions in income received from benefits, tax credits and higher tax payments which occur automatically through the UK tax system. The submission also pointed to the possibility of the loss of passported services²⁷ and possible failure to qualify for financial relief for charges for local services for living wage recipients.

35. COSLA also noted that welfare reform and the adoption of Universal Credit had the potential to impact on the effectiveness of a living wage policy and that issues around accessibility, childcare, skills and job opportunities could also present barriers to employment faced by those in the lowest income deciles.

36. COSLA concluded that these questions potentially limited the policy’s effectiveness, “with employers simply replacing benefit rather than increasing the overall income enjoyed by employees”.²⁸

²¹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 405.

²² Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 405.

²³ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 405.

²⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 405.

²⁵ COSLA. Written submission.

²⁶ COSLA. Written submission, paragraph 9.

²⁷ Passport services are services or benefits that claimants gain entitlement to as a result of their entitlement to other benefits. Examples include free school meals and school clothing grants.

²⁸ COSLA. Written submission, paragraph 9.

Potential economic benefits

37. The Cabinet Secretary for Finance, Employment and Sustainable Growth told the Committee²⁹ that the living wage would lead to “increased tax and national insurance contributions, reductions in income-related benefits, and through tax credits”, which were “clearly benefits to the public purse”³⁰. However, the Cabinet Secretary noted that all those benefits accrued to the United Kingdom Government and could not flow into the funds available to the Scottish Government, because of the way in which the block grant operated.

38. The Cabinet Secretary also observed that if individuals received higher remuneration, their disposable income would increase. As a consequence, they would have greater spending power, “which must clearly benefit the Scottish economy”.³¹

39. Some councils also argued that the living wage had the potential to have a beneficial economic impact on their area. South Lanarkshire Council argued that “employees who earn at that level [the living wage] spend money locally and the money goes back into local businesses”.³² North Ayrshire Council stated that people who lived in an area also spent in the area and the living wage had, therefore, “a circuitous benefit for the local economy”.³³

Local authorities as exemplary employers

40. The SLWC’s arguments in favour of the living wage were largely supported by the experience given in evidence to the Committee by those Scottish local authorities that had already implemented it. East Renfrewshire Council told the Committee that the living wage had “brought many benefits locally—certainly, to industrial relations”. The council’s representative added—

“We are a good employer and we want to set out our stall as such. It was important to the authority to set an example to other employers in East Renfrewshire because we are the largest employer in the area. We believe that the measure has had an impact on morale, particularly among the low paid. It is perhaps a little too early to say, but we hope that it will also have an impact on recruitment and retention although, because of the current economic conditions, that is less of a challenge than it has been in recent times”.³⁴

²⁹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 494.

³⁰ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 494

³¹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 494.

³² Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 470.

³³ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 455.

³⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 455.

41. A number of other local authorities echoed East Renfrewshire Council's position and told the Committee that, as the largest employer in the local area, they believed they had a duty to be "exemplary" employers. South Lanarkshire Council told the Committee that the introduction of the living wage had been seen—

“... as a positive move for us in setting out our stall as a good employer and setting out where we stood within South Lanarkshire. ... Like many other Scottish authorities, we are the largest employer in the area, so what we do has a big impact”.³⁵

42. Similarly, North Ayrshire Council noted, in oral evidence³⁶, that its decision to implement the living wage had been a cross-party one and “a value judgment for councillors”. A key objective for the council had been to regenerate its communities. With 78 per cent of the council's workforce living in North Ayrshire, ensuring that its lowest paid were paid the living wage had been a “key consideration” for it.

Perception of preferential conditions for local government workers

43. The Committee noted the possibility of resentment growing amongst local council tax and other taxpayers should a living wage be implemented in their local authority. The Committee also noted that this could be a particular possibility if people perceived that their council tax and other tax payments were being used to meet some of the costs of the living wage and if they themselves were employed in the private or voluntary sector at lower wage rates.

44. Councillor Michael Cook, of COSLA and Scottish Borders Council, expressed this point—

“You raise the question of public perception—the man or woman in the street looking in on the local authority, making a judgment about the living wage and saying, ‘Hang on a minute. How dare you use what I am paying through council tax or taxation generally to achieve that?’ However, it is important to recognise that council members are elected politicians and they stand or fall on such decisions. Ultimately, it is up to them to make them, and they need to be able to justify them to the electorate. If the electorate do not like a decision and are unhappy with the situation, they can vote the other way.”³⁷

Impact on recruitment, retention absenteeism and staff morale

45. Although the SLWC claimed, as noted above, a number of benefits for employers in terms of positive impacts on recruitment, retention, absenteeism and staff morale, witnesses from Scottish local authorities and from London tended to be more cautious in establishing a relationship between the living wage and improvements in any aspect of workforce performance. A representative of the Olympic Delivery Authority, describing how the London living wage had been

³⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 461.

³⁶ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 455.

³⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 468.

implemented across the construction of the Olympic stadium project, told the Committee—

“I do not have any evidence to suggest that we had an increased number of applications because people were going to be paid the London living wage, but our levels of retention were good. One could argue that that was because people were being paid well, but it could also have been because they were involved in a unique project. I cannot extrapolate which of those factors was the most important, but we know from talking to the contractors’ workforce that there were good levels of attendance, retention and productivity. The project finished just before time and on budget, and all those things—including the London living wage—contributed to that success.”³⁸

46. Scottish local authorities were also cautious in their analyses of the impact of the living wage. South Lanarkshire Council, for example, told the Committee that it was projecting a turnover figure during the current year for its employees of around 1.9 per cent, which it considered “remarkably low”. The Council told the Committee—

“That could be attributed to the current economic climate, but it could also be attributed to the implementation of the living wage in that our highest turnover tends to be among those at the bottom end of our pay scales, such as the cleaners and caterers ... Our sickness absence rate is down this year and we project another 0.1 or 0.2 per cent off the figure for the total year. Again, there is a variety of reasons for that, but I suspect that the living wage is one of them”.³⁹

47. North Ayrshire Council⁴⁰ and East Renfrewshire Council⁴¹ expressed similar caution. North Ayrshire Council reported to the Committee that it had altered its absence management procedures for 2010-11 and, as a result of that, had achieved a significant reduction in its absence levels. The living wage had been introduced at the start of financial year 2011 and the Council’s absence levels had risen. East Renfrewshire Council noted that it had also experienced a significant reduction in absence levels, but at no point had it attributed that to the living wage. It had attributed it to a number of other policy changes such as better training and greater awareness. Noting that while it was “perhaps too early to say”, the Council concluded that there was “no direct correlation” between reduced absence levels and the introduction of the living wage.

Impact on gender inequality

48. The Committee heard evidence that where the living wage had been introduced, it had tended to have most impact on part time and women workers.

³⁸ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 459.

³⁹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 458.

⁴⁰ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 465.

⁴¹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 465.

Scottish Borders Council,⁴² for example, noted that of the 626 employees who had benefitted from the introduction of the living wage in that council, 530 had been women. In East Renfrewshire Council,⁴³ 76 per cent of those affected had been female and 24 per cent male, while 84 per cent of those workers affected were part time and 16 per cent were full time. In the Scottish Government and associated agencies, the figures had been 71% female and 29% male.⁴⁴

Costs of implementation

49. The Committee was interested to hear from witnesses about the costs of implementation of the living wage, particularly in the context of current economic conditions, when there might be questions about whether local authorities should prioritise improvements in the remuneration of employees over, for example, improvements in the quality of services being provided.

50. The Cabinet Secretary for Finance, Employment and Sustainable Growth told the Committee that the additional cost of paying the living wage for central Government (the Scottish Government and its agencies) had been a little over £1.7 million.

51. The costs of implementation of the living wage that were reported to the Committee by local authority witnesses varied significantly, depending on the characteristics of the local authority and the way in which it had chosen to implement the living wage. South Lanarkshire Council, in its written evidence, noted that the cost of implementing the living wage in 2011-12 had been £3.5m. However, the Council argued in oral evidence⁴⁵ that as a result of “national diagnostic projects” it had taken “a substantial sum of money out of the organisation”. It had also made changes that were not linked to the introduction of the living wage, (for example, to travel and subsistence) which had also had an impact on its workforce.

52. The introduction of the living wage was seen by South Lanarkshire Council as being “about giving something back” and had been considered within the financial strategy and the package of savings that had been proposed for the 2011-12 financial year.

53. Other councils that had implemented the living wage reported that the costs had been met as part of a wider package of reforms and efficiency savings.

54. East Renfrewshire Council, echoing the position taken by South Lanarkshire Council, told the Committee that the introduction of the living wage was “about giving something back in recognition of the substantial work that had been undertaken to generate significant savings”. The sums of money had been “small”,

⁴² Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 467.

⁴³ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 467.

⁴⁴ Cabinet Secretary for Finance, Employment and Sustainable Growth. Written submission, 10 January 2012.

⁴⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 461.

in the context of the wider savings that the Council had been able to generate through its public service excellence programme, which had involved service redesign and the rolling-out of efficiencies across the organisation, and through negotiations with trade unions about changing packages of terms and conditions.

55. Glasgow City Council also saw the introduction of the living wage as part of a package. The living wage had been one of three measures, along with redeployment and attendance management, that the Council believed would give it an “effective workforce for the future”.⁴⁶

56. Councillor Michael Cook, of Scottish Borders Council and COSLA, described the process of negotiation that had led to the introduction of the living wage and how its “moral imperative” had been combined with the desire amongst the council’s members to achieve best value—

“As an individual politician, I am ... persuaded that the living wage is a moral imperative. However, as a council, we did it on the basis of asks. We quite consciously negotiated with the unions about what they would give us in exchange for what we were prepared to give them. We therefore negotiated a deal in which the unions agreed on the basis of collective bargaining in the council that they would relinquish increments over a series of years and that, in return, we would give them a no compulsory redundancy deal for the whole period and deliver the living wage.

As a result of that, we will have delivered net efficiencies of around £5 million by the end of March 2014. That is significant because we had a best-value aspiration for what we were trying to achieve as well as a belief that the living wage was a moral imperative”.⁴⁷

Potential impact on the voluntary sector

57. The voluntary sector was generally supportive of the living wage campaign, although it had some concerns about the possibility of local authority resources being squeezed by the introduction of the living wage, with the possible effect of there being reduced levels of funding available to support voluntary sector activity.

58. These concerns were expanded upon by the Coalition of Care Providers Scotland (CCPS), which highlighted the increasing trend amongst its member organisations for staff to be paid a lower hourly rate than the living wage. CCPS’s submission⁴⁸ noted that a survey of its members showed that 18 out of 29 responding providers of adult community care services offered starting salaries to care workers that fell below the living wage at the lowest point of the salary scale. This reduced to 8 out of 29 at the highest point of the scale.

59. The CCPS submission was centrally concerned with the role of local authorities in procuring and commissioning care services and the impact that

⁴⁶ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011. Col 463

⁴⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 458.

⁴⁸ CCPS. Written submission.

reducing local authority budgets had in restricting the sums available in such tendering exercises. The submission concluded—

“The increased use of competitive tendering in social care in recent years has driven care costs down to a level where many voluntary organisations have had to review pay and conditions in order to remain in the ‘market’. CCPS is concerned that as commissioners of public services, local authorities do not pay sufficient regard in procurement exercises to the link between the low hourly rates they are prepared to accept from tenderers, and the ability of those tenderers to offer pay and conditions packages to staff that reflect government ambitions for high quality services delivered by a competent, confident, trained and qualified workforce”.⁴⁹

60. CCPS therefore called for central government action to ensure that the benefits of the living wage were extended to employees in the voluntary sector and not simply restricted to local authority and public sector organisations. While applauding the Scottish Government’s strong support for a living wage in the public sector, CCPS stated that it was “extremely concerned” that the government was not extending this support for a living wage “to those providing publicly-funded care and support services in the voluntary sector, nor taking any action to enable it”.⁵⁰

Potential impact on business

61. The Committee received a submission from CBI Scotland, which argued that in 2012 the priority should be to maximise employment opportunities. It therefore recommended “a highly cautious approach to any uprating of the National Minimum Wage (NMW)”.⁵¹ CBI Scotland argued that the introduction of a living wage would run counter to this goal.

62. CBI Scotland also claimed that the introduction of a living wage would have a disproportionately negative effect on young people and observed that with 23.5 per cent of young people out of work in Scotland it was “vital that young people are not priced out of jobs”.⁵²

63. In addition to the possible impact of the living wage on the employability of young people, CBI Scotland also argued that there would be an impact on local labour markets that would cause “damaging structural issues” in the longer-term. According to CBI Scotland’s submission, the public sector pay premium in Scotland is 8.9 per cent for full-time employed males and “exacerbating this gap” would be likely to impede the smooth functioning of local labour markets and “hurt the very firms we are looking to for sustainable growth”, especially away from the main cities.

64. Finally, CBI Scotland expressed concern at the possible impact of the living wage on the affordability of service provision. It argued that a move from the NMW to the living wage could constitute a significant cost increase for service providers,

⁴⁹ CCPS. Written submission.

⁵⁰ CCPS. Written submission.

⁵¹ CBI Scotland. Written submission.

⁵² CBI Scotland. Written submission.

especially if differentials were to be maintained, and could prove administratively complex, particularly if suppliers served both public and private customers.

65. The Committee took evidence from the Federation of Small Business (FSB) Scotland and the Scottish Chambers of Commerce (SCC). CBI Scotland was also invited to take part in this session, but it was not able to attend.

66. The FSB raised a number of concerns over the potential specification of payment of the living wage as a condition in contracts awarded by local government. Among its concerns were whether the living wage requirement would apply only to the main contractor or whether it would extend to sub-contractors and whether it would apply to all workers employed by the contractor, or only those engaged on work specifically associated with the local government contract.

67. The SCC argued that introducing a procurement regime that forced businesses to pay the living wage would be “counterproductive”⁵³ as it would drive business policy to concentrate either on public sector or private sector contracts, which would not help the business environment—

“... such an approach would potentially force the rest of the company and other companies to uprate their wages as well. In that situation, businesses would have to take a decision based on one contract that they might decide to go for, rather than look at the issue as part of whole-business planning. That would not be good for a lot of businesses in Scotland that rely on public sector contracts for much of their business, but have other contracts as well. It would mean taking the public sector procurement process and forcing it to drive businesses’ planning, which would mean that they would become either entirely reliant on the public sector—which we do not want if we want a healthy market—or unable to take up the opportunity of public sector contracts, which would place them at a disadvantage”.⁵⁴

68. Although the SCC was working with the Scottish Government on the development of local economic benefit clauses, it was of the view that the living wage would be likely to make, for example, local construction companies less competitive and likely to make them more vulnerable to losing out on contracts to bigger and less local companies. The SCC also took the view that enforcement of the living wage would be very complex.

69. The FSB told the Committee that 27 per cent of its members carried out work on behalf of local government. The FSB took the view that large companies were in a better position than small and medium-sized companies as regards implementation of the living wage, because they had more capacity to absorb costs and to cross-subsidise parts of their operations—

“... it is a lot easier to cross-subsidise in a large company; I could say that I was paying people whatever amount you want me to pay and could fund that

⁵³ Scottish Parliament Local Government and Regeneration Committee. *Official Report, 18 January 2012*. Col 511.

⁵⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report, 18 January 2012*. Col 511.

from activities elsewhere in the organisation. A small locally based business cannot do that.”⁵⁵

70. Both the FSB and the SCC argued that the relationship between hourly rates of pay, productivity and employment was complex. While paying the living wage to employees could help to boost the local economy, margins were very tight, and even small increases in the wage bill could lead to reductions of hours, negating any beneficial effect derived from payment of the living wage. FSB and SCC took the view that requiring local government contractors to pay the living wage would undermine efforts to maintain employment.

71. In response to suggestions that the business sector had made similar points in the period leading up to the introduction of the NMW and had predicted a range of difficulties that had not materialised, the SCC remarked that its members welcomed the NMW, as it set a floor that prevents unscrupulous employers undercutting legitimate businesses and creates a level playing field.

Variations in the cost of living in different parts of the UK

72. The NLWC calls for a unified living wage (currently £7.20 per hour) across the UK, with the exception of London, where a higher living wage applies. The evidence from the Centre for Research in Social Policy argued that the Minimum Income Standard, (on which the living wage is based) is calculated “with reference to living costs throughout the United Kingdom” and is, as far as possible, based on prices in national chain stores.⁵⁶ Nevertheless, the paper acknowledges that, while average childcare costs in Scotland are almost identical to the average calculated for all parts of the UK outside London, average private rents are slightly lower (around 5 per cent) and average social rents are significantly lower (around 15-20 per cent). The submission also noted that variation within Scotland was “considerably greater than across different parts of the UK”, so, for example, rents in some parts of Scotland were above the average for the UK outside London, and others were below.

73. The CRSP submission noted that research in rural areas of England suggested that in remoter areas of Scotland, lower housing costs would be “more than offset” by higher costs associated with rurality, such as transport and domestic fuel costs. Expanding on this point, Donald Hirsch told the Committee—

“On the point about fuel costs, as well as our main research, which was based in urban areas, we have done research in rural England and we found that there were significantly higher costs—typically 10 to 20 per cent higher—in rural areas. Because people in those areas cannot rely on public transport, we have to take into account the fuel that is used by cars. Also, many people are not on mains gas and have to use heating oil or electricity, and some of

⁵⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 18 January 2012. Col 512.

⁵⁶ CRSP. Written submission.

them have hard-to-heat homes. We would expect that to be the case in rural Scotland as well, perhaps even more so”.⁵⁷

74. North Ayrshire Council made observations about variations in the cost of living in different parts of Scotland—

“The cost of living will be markedly different in one area compared with another. For example, the cost of living in North Ayrshire is very different from the cost of living in Glasgow, which is only a 30-minute drive away. We have mainly second-tier shopping outlets and the cost of housing, for example, is significantly lower than in a major city such as Glasgow. What the living wage can bring to a council’s recruitment differs quite a lot from one council area to another”.⁵⁸

75. The CRSP submission notes that “a single living wage level throughout the UK outside London is gaining growing recognition and hence credibility”. It argues that this is in contrast to experience in the United States—

“... where multiple levels used in different areas have undermined recognition of a living wage as a standard, especially among large companies operating in different parts of the country and seeking to develop a common approach to pay structures... although a single level only reflects an approximation of the living costs faced by different individuals with different needs in different areas, it is becoming generally accepted as a reasonable approximation”.⁵⁹

CHALLENGES OF INTRODUCING THE LIVING WAGE IN LOCAL GOVERNMENT

76. At the time of the Committee’s inquiry, a total of seven councils had implemented the living wage, using a number of different approaches, as described earlier in the report. It is understood that two other councils have adopted the living wage and will implement this over 2012, while one other mainland council and the three island authorities consider all staff to be paid at least £7.20 per hour, inclusive of distant island supplements, where applicable.

77. The SLWC estimates that approximately 18,000 local government staff would currently be eligible for the living wage.⁶⁰

Autonomous status of local government

78. The Committee recognises that one of the main factors that militate against a national, Scotland-wide approach to rolling out the living wage across local government is that local authorities are independent public bodies, established by statute, and not accountable to the Parliament or to the Scottish Ministers.

⁵⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 404.

⁵⁸ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 459.

⁵⁹ CRSP. Written submission.

⁶⁰ SLWC. Written submission.

79. COSLA told the Committee⁶¹ that the negotiating machinery for pay bargaining in local government was autonomous from UK Treasury pay policy and from Scottish Government pay policy and that, particularly since the advent of single status⁶², the only significant issues that remained reserved to national level were cost-of-living pay increases and sick pay. Pay structures and terms and conditions, therefore, were largely matters for local determination. On this basis, COSLA argued, ultimately, it was “for each of the 32 local authorities in Scotland to look at the issues in their particular context, to look at their pay structures and to assess the merits of a living wage in that light”.⁶³

80. The Committee fully accepts that, in general, pay structures and employee terms and conditions are largely matters for local determination. The Committee also fully recognises that it is for the elected members of individual local authorities, as employers, on the basis of local circumstances, to decide whether or not to implement the living wage, and to be accountable to their local electorate for that decision. Councillor Michael Cook expressed this point clearly—

“I recognise that, even though I am the spokesperson for human resources in Scotland, I am a member of Scottish Borders Council. I know the rub of the green in Scottish Borders Council, I know what the issues are in our locality, what our budget requirements are, what the external factors are and what the local economy is, and I can make judgments about that, but I have to be slightly more careful before being so presumptuous as to tell others what to do. What I am prepared to do is to impress on colleague members that I think that this is a good way forward and something that councils might want to explore, but I will leave the judgment as to whether they apply this approach to them. They are politically mandated to do it, as they were elected to make decisions in their council areas, so it is their decision”.⁶⁴

81. A similar point was made by the Cabinet Secretary for Finance, Employment and Sustainable Growth, who told the Committee—

“... local authorities are independent, autonomous bodies and as such decide on their own terms and conditions of employment and set their own rates of pay. It is therefore wholly a matter for each local authority to consider its own circumstances in determining whether to implement the living wage, and rightly so”.⁶⁵

⁶¹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 453.

⁶² The single status agreement was signed in 1999 and all councils now have agreements in place. It aims to harmonise the terms and conditions of employment of manual and administrative, professional, technical and clerical workers and bring about non-discriminatory pay structures and pay equality.

⁶³ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 453.

⁶⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 462.

⁶⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 493.

Costs

82. As the previous section of the report indicated, costs of implementation of the living wage have varied significantly and are dependent on a number of factors including the number of workers affected and whether or not the implementation has been negotiated in the context of a wider package of cost-saving measures and efficiencies. It is therefore not possible to estimate accurately what the overall cost would be to the public purse, should every local authority decide to implement the living wage, without more detailed analysis of the individual situation in each local authority area.

83. Another complicating factor is the extent to which it might be possible to build a living wage requirement into contracts let by local authorities to the private or voluntary sector, and whether or not the council in question has a structure of arms-length organisations delivering services on its behalf. As a subsequent section will show, there are unanswered questions about the extent to which it might be possible to do this, but in relation to costs, it is, once again, not possible to estimate what the overall cost would be, without access to information that was not available to the Committee in this short inquiry.

84. The basic cost on the paybill to local government, although an important consideration, is, arguably, only one component of a bigger picture. Some costs associated with the introduction of a living wage might not be immediately obvious, although they could turn out to be significant. These would include additional costs on overtime and other allowances where these are calculated on basic rate. The living wage also has possible knock-on costs for National Insurance, pensions, casual workers, and the potential need to recalibrate pay scales to ensure that they remain equality proofed, in addition to administration and associated costs to implement the policy.

85. The Committee concludes that while there will be costs associated with the introduction of a living wage, these cannot be accurately quantified and will largely depend on the overall approach that the local authority in question takes to the implementation of the living wage, and whether or not it is part of an overall package of efficiency savings that might well deliver net savings to the council.

Potential impact on pay structures and single status agreements

86. The Committee noted that different methodologies had been employed in relation to implementation of the living wage in different local authorities. These had largely stemmed from concerns to minimise the risks of legal challenges in relation to the implementation of single status.

87. Dave Watson of UNISON explained to the Committee⁶⁶ that there were two main ways of implementing the living wage. The first way was by taking away an increment, normally the bottom one of the relevant pay scale. This was the method used in the implementation of the living wage in the NHS. Dave Watson argued

⁶⁶ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 424.

that if the living wage were introduced in that way, there would be no potential for an equal pay challenge. He noted that there might well be a narrowing of differentials, but stated that such a narrowing would not give rise to an equal pay claim.

88. Dave Watson further explained that the second way of introducing the living wage was through top-up or supplementary payments on top of the increments for the post, to bring the wage up to the living wage level. In those circumstances, he suggested, there would be “a theoretical legal issue”.⁶⁷ He went on to say that for a successful legal challenge it would be necessary for the challenger to argue that the reason for the difference was that the issue was “tainted by sex discrimination”⁶⁸, under the provisions of the Equal Pay Act 1970. He went on to set out a defence that could be used in those circumstances—that there was a genuine material factor, and not one arising as a result of sex discrimination. For example, it might be argued that the council had a policy to eradicate wage poverty and that that a living wage policy would be a proportionate response to the council’s strategy and that the living wage policy might also tackle the pay differences that had historically been caused by gender segregation in the workforce. He concluded that there were “theoretical risks” in the area but considered that, in practice they were “not large” and in Unison’s view they were “too often used as an excuse for not promoting a living wage policy”.⁶⁹

89. The local authorities that had implemented the living wage and that gave evidence to the Committee had used both approaches. Glasgow City Council introduced the living wage by moving all staff from the bottom (entry) increment to the second bottom (proven) increment. West Dunbartonshire Council adopted the pay supplement approach—

“The solution that we came up with was not to implement the living wage by altering our pay structure and the links to evaluation outcomes, which came about after a long period of single-status implementation, but to do it through pay supplement which, in effect, would top up the bottom grade so that it reached the living wage threshold. The vehicle through which we implemented that was a collective agreement with the trade unions. There was consensus among all parties that that mechanism would implement the living wage but would also protect the authority from potential legal challenge”.⁷⁰

90. East Renfrewshire Council sought to maintain the integrity of pay and grading structures and following the advice that it was given, also implemented the living wage by means of the introduction of a pay supplement. South Lanarkshire Council, on the other hand, having settled single-status some years ago, made adjustments to its overall pay structures.

⁶⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 425.

⁶⁸ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 425.

⁶⁹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 425.

⁷⁰ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 454.

Potential impact on councils' external trading operations

91. The Committee received a supplementary submission from COSLA⁷¹ regarding councils' external trading operations. Some, although not all, local authorities engage in these operations, typically in areas such as catering and cleaning. According to the COSLA submission, these operations take place "within a highly commercial environment where competition for contracts with private providers can be intense".

92. COSLA goes on to say—

"Many private sector employers are paying the national minimum wage and cutting costs to break-even point, or beyond. With workforce costs often accounting for the majority of overall operating costs, the concern is therefore that where a council chooses to apply the living wage across its workforce, this has the effect of paying a significantly higher hourly rate than other bodies who could deliver the same service. There is the potential that these increased costs for the Council could therefore lead to an inability to compete for contracts, and potentially challenge the viability of trading services, jeopardising employment for staff employed in these areas, who might then ultimately need to find work in private sector providers who offer a significantly poorer overall reward package".⁷²

93. The COSLA submission notes that in councils that do engage in such external trading operations, "the employee groups affected as a proportion of the workforce are relatively small". However, the submission concludes that the living wage has "the potential to make it more challenging for councils to demonstrate best value in some service areas, potentially resulting in loss of external income, or further externalisation of some services".⁷³

The question of a living wage unit

94. The Committee learned that, in London, a living wage unit had been established within the office of the Mayor. The GLA told the Committee—

"We have an organisation within the Greater London Authority group called GLA economics, which provides data and analysis across the GLA group. ... When the GLA was originally established, we felt that it was extremely important to have an economic unit that would serve the London Development Agency, Transport for London, the Metropolitan Police and the Greater London Authority, so GLA economics is a semi-independent organisation within the GLA.

⁷¹ COSLA. Supplementary submission.

⁷² COSLA. Supplementary submission.

⁷³ COSLA. Supplementary submission.

... The role of the living wage unit is very much to do independent analysis and to gather data rather than to promote the living wage. We have always felt that that separation of duties is important".⁷⁴

95. The SLWC, SCVO and all the trade unions that gave evidence to the Committee strongly supported the idea of the establishment a living wage unit within the Scottish Government. The SLWC told the Committee that a living wage unit "could be the source of advice to employers and people with self-directed support about how to be the best employer".⁷⁵ Unison argued that evidence from London and elsewhere demonstrated the value of having such a unit, that could "have an input into policies at an early stage." The PCS suggested that if the Scottish Government were to set up such a unit, "it would be saying that the living wage is an important policy that it wants to see go beyond its own boundaries and areas of influence into the economy in general".⁷⁶

96. The Cabinet Secretary for Finance, Employment and Sustainable Growth told the Committee that he did not think that an independent living wage unit was currently required by the Scottish Government.⁷⁷ In setting out his reasons, he told the Committee—

"First, when I prepared to come to the committee today I sought advice from different areas of Government to equip me to answer the committee's questions [...] I took advice from the procurement division, the employability unit, the pay policy team, the finance directorate and some of our third sector advisers into the bargain. I make that point to illustrate that the living wage is not a compartmentalised issue but one that spans a range of areas in Government. The challenge for us is to ensure that all those areas of Government point in the same direction to support the ministerial direction on the application and implementation of a living wage and that different strands of Government reflect that in their choices, approaches and priorities. The establishment of a living wage unit seems to be a compartmentalised solution to an issue that spans a range of Government departments.

I have also looked at living wage units in other jurisdictions and authorities. The Greater London Authority has been cited as one example. I do not think that the arrangements that are in place there add a great deal to the focus that we have brought to our teams' priorities spanning a range of areas in Government in taking forward our approach. For that reason, I am not persuaded of the merits of establishing an independent living wage unit, but I

⁷⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 450.

⁷⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 423.

⁷⁶ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 7 December 2011, Col 427.

⁷⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 498.

assure the committee that the living wage is a significant ministerial priority that will be taken forward as part of the Government's broad agenda".⁷⁸

97. The Committee notes the Cabinet Secretary's position regarding the possibility of a living wage unit within the Scottish Government. The Committee accepts the Cabinet Secretary's commitment to the living wage and understands why he is reluctant to encourage a compartmentalised approach to it. The Committee takes the view that what is important is that the correct level of central government resources is made available to support the development of the living wage, and whether this support is delivered as part of a unit or through the resources of the civil service is not important. The Committee, therefore, has not been persuaded that the establishment of a living wage unit is required

PROCUREMENT ISSUES

98. One of the areas in which it proved most difficult for the Committee to find clear answers was on the question of the extent to which it would be possible to build living wage requirements into contracts, and through that process, extend the living wage across workforces engaged on local government contracts. One of the reasons for the difficulty in reaching a view on this question was the potential engagement both of the provisions of the European Procurement Directive and UK employment law, which is, of course, a reserved matter.

99. The Committee noted that, in London, where the living wage had been most developed and where most practical experience of its implementation existed, no attempts had been made to build living wage requirements formally into contracts.

100. The GLA told the Committee—

"There have been some contractual and legal difficulties about whether it is possible to specify the living wage in tender documentation. The office of Government commerce has been particularly concerned with a European Court case about whether it is legal for us to specify the living wage. I think that the law is still a bit uncertain on that point, but in practice we have had two fairly bullish mayors who have championed the living wage irrespective of that. As far as I am aware, no employer has ever taken any part of the GLA group to court, and we do not anticipate that anyone will do so. In that regard, the roll-out will continue".⁷⁹

101. The GLA also explained⁸⁰ that the London living wage policy was a voluntary one. The GLA sets the annual figure and leaves it to individual firms to decide how they will implement it. The GLA had held "a number of internal discussions" about whether it should be more prescriptive about the time within which employers should uprate their contracts after the level of the living wage had been announced

⁷⁸ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 498.

⁷⁹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 444.

⁸⁰ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 444.

but had concluded that it was sufficient for it to set the living wage and then leave it to individual organisations, unions, employers and their staff to negotiate how it would be implemented in practice. The GLA told the Committee that that approach seemed to “have worked reasonably well” in London.

102. The experience of Scottish local authorities as regards the procurement process was mixed and largely inconclusive. North Ayrshire Council indicated that—

“The issue for us is that the legal advice is somewhat mixed on the extent to which we can take a black-and-white view of how the living wage could be implemented contractually. There is a requirement that, when we go out to contract and tender for work, we allow competition to come through. That is the basis of contracting and tendering, as well as best value”.⁸¹

103. The Council did indicate, however, that it was about to introduce, as part of its contracts, a standard question that would ask contractors whether they were living-wage employers. This was considered to be “starting to exert a bit of influence in relation to people considering it as an option”.⁸²

104. Glasgow City Council told the Committee⁸³ that, in the procurement process, it asked whether organisations paid the living wage, but did not use the question as part of the evaluation of the tender bid. In the community benefits section of the tender evaluation, the Council looked at new entrants to the labour force and the number of apprentices or trainees that the organisation would take on as part of the contract, because there was legal guidance that allowed it to do that.

105. East Renfrewshire Council advised that it had no preconditions on its tenders for contractors to pay the living wage and added that it would have “some unease” about such a rule, including concerns over its legality. The Council indicated that it was interested in looking at including “something about the living wage and whether a contractor was paying it”, but said that this “would not be a material factor in letting a contract”. The focus in the procurement process in East Renfrewshire was on community-benefit clauses and local employment and training opportunities.⁸⁴

106. An official of West Dunbartonshire Council told the Committee that its legal advice had precluded the inclusion of any specific clauses in relation to the living wage and that the approach to date had been based on voluntary take-up by employers in its area.

107. The Scottish Government’s Head of Procurement Policy Branch, Iain Moore, told the Committee—

⁸¹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 456.

⁸² Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 456.

⁸³ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 457.

⁸⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 457.

“Interestingly, when the European Commission gave a view on the incorporation of a living wage in public procurement processes, it said that a living wage would appear to count among the contract performance clauses that may be included in public procurement contracts. Quite tellingly, however, it went on to attach two caveats to that. First, it said that such a clause could apply only to the contract workers who were working directly under the public contract and not to all the workers. Secondly, it said that such a clause must not be directly or indirectly discriminatory. It is not very clear what that would mean in practice. That is why the Cabinet Secretary for Infrastructure and Capital Investment has written to the Commission to ask it to explain the circumstances in which it believes that it would be possible to incorporate a living wage clause without being directly or indirectly discriminatory”.⁸⁵

108. The Committee also noted the details of the case of *Ruffert*⁸⁶, in which a legal challenge had been brought to the European Court of Justice in relation to a public procurement contract in the case on the basis of Directive 96/71/EC.⁸⁷ The Posted Workers Directive (PWD) provides protection for workers who, for a limited period, undertake work in a member state other than the state in which he or she normally works. The Directive requires member states to “guarantee that workers posted to their territory the terms and conditions of employment”⁸⁸ in the member state where the work is carried out.

109. The case concerned the failure of the contracting authority to adhere to the wage set by a collective agreement. The Court of Justice held that the agreement had not been set in accordance with the procedure in the Directive and so was incompatible with EU law. The case shows that any policy introducing payment of the living wage in public procurement contracts would have to ensure compliance with this Directive.

110. Taken together, this evidence would seem to the Committee to suggest some potentially serious challenges in relation to any attempt to include the living wage as a condition of the award of local government contracts. This appeared to be backed up in the evidence given to the Committee by the Cabinet Secretary for Finance, Employment and Sustainable Growth—

“The committee has been made aware by evidence from other witnesses that European Union law limits the extent to which public bodies can require contractors to pay their staff the living wage as part of the procurement process. Developments in European case law have raised questions as to the extent to which the living wage can form part of the public procurement process. My colleague, the Cabinet Secretary for Infrastructure and Capital Investment, has written to the European Commission seeking its view and its

⁸⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 485.

⁸⁶ *Case C-346/06 Dirk Ruffert v Land Niedersachsen*

⁸⁷ Directive 96/71/EC of the European Parliament and the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services.

⁸⁸ Article 1 of Directive 96/71/EC of the European Parliament and the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services.

advice—in the hope that we can all be clearer on this question. When it comes to hand, we will of course share the Commission’s response”.⁸⁹

111. However, Patrick McGuire, a partner in Thompson Solicitors, expressed an alternative view. In his written submission,⁹⁰ he explained that the EU legislation regarding public procurement, contained primarily in Directive 2004/18/EC⁹¹ (‘the Directive’), guarantees transparent and non-discriminatory procedures to enable public purchases to be made in a way which ensures equal access to, and fair competition for, public contracts within the EU. Under the Directive, there is a specific procedure to be followed with regard to the public procurement process. The different stages include: setting the technical specifications; the selection of bidders (including a selection and award stage); and the setting out of the contract performance clauses. Both the technical specifications and the award criteria used must be linked to the subject matter of the contract. Payment of the living wage, either as a technical specification or as an award criterion, would not be considered to be linked to the subject matter of the contract and so could not be included at this stage.

112. However, Mr Maguire’s submission went on to argue that payment of the living wage could be included as a contract performance clause. These are obligations setting out how the contract is to be performed and must be accepted by the successful tenderer. Article 26 of the Directive specifically notes that: “The conditions governing the performance of a contract may, in particular, concern social and environmental considerations”.⁹² Mr Maguire concludes, therefore, that the contract performance clause could contain a stipulation that all workers on the contract are paid a living wage provided that: (a) the condition applied only to that contract and not to all workers employed by the successful tenderer; (b) the condition was set out in the call for tenders; and (c) that the condition complied with EU law. He further suggests that section 39 of the Public Contracts (Scotland) Regulations 2006⁹³ (regarding conditions for performance of contracts) could be amended to include a requirement that all contracting authorities stipulate payment of the living wage as a condition for performance of the contract.

113. Mr Maguire also submitted to the Committee an opinion provided by Professor Christopher McCrudden, a leading academic commentator on public law, human rights and employment law, that appeared to support the views expressed by Mr Maguire to the Committee.

114. The Committee questioned the Cabinet Secretary for Finance, Employment and Sustainable Growth about the possibility of amending section 39 of the Public

⁸⁹ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 493.

⁹⁰ Maguire, P. (Thompsons Solicitors). Written submission.

⁹¹ Directive 2004/18/EC of the European Parliament and of the Council of 31st March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

⁹² Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 490.

⁹³ Public Contracts (Scotland) Regulations 2006 available at <http://www.legislation.gov.uk/ssi/2006/1/contents/made> [Accessed 17 January 2012]

Contracts (Scotland) Regulations 2006. The Cabinet Secretary was cautious in his response, and told the Committee—

“I certainly think that there is a strong argument for that. [...] I support the living wage and believe that it should be applied if it can be deployed in a sustainable way. There is undoubtedly a legislative vehicle that could be used to require contractors who are responsible for undertaking public sector contracts to pay a living wage. We would have to be confident, however, that, in terms of the scrutiny of procurement activity by the European Union, that approach would be deemed to be consistent with our EU procurement obligations. The statements from the European Commission to date have not given us that clarity. The purpose of the letter that Mr Neil has written to Commissioner Barnier is to establish a much clearer interpretation of that point”.⁹⁴

115. Clearly, the Committee is not in a position to determine whether or not EU regulations would permit the insertion of a requirement on contractors to pay the living wage as a condition for performance of a contract. However, the Committee notes that the Cabinet Secretary for Infrastructure and Capital Investment has written to the European Commission seeking clarification. The Committee awaits the response from the Commission with interest.

COMMITTEE CONCLUSIONS

General comment on progress

116. The Committee notes the steps taken by the Scottish Government and its agencies and, to date, by seven local authorities, to introduce the living wage for all their staff. The Committee recognises that this is a genuine commitment by those organisations to address in-work poverty, as far as they consider it is possible to do so. The Committee also recognises and commends the innovative approaches that have been adopted in some local authority areas, where the council and the relevant trades unions have negotiated a settlement that delivered efficiency savings for the council as part of a package of measures that also delivered the living wage.

117. The Committee also notes that the living wage could arguably be seen as potentially a factor in preventative spending, which is becoming an increasingly emphasised aspect of public services reform.

118. Additionally, the Committee notes the evidence from the Greater London Authority⁹⁵ that the introduction of the living wage has positive effects on recruitment, retention, absenteeism and staff morale.

⁹⁴ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 495.

⁹⁵ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 14 December 2011, Col 447.

More limited progress

119. Nevertheless, the Committee also recognises that there remains much to be done. Welcome though the living wage is, it is not, in itself, a panacea and will not be sufficient, on its own, fully to address in-work poverty. As evidence that the Committee received has shown, implementation of the living wage, although widely perceived as being an appropriate aspiration—and even a moral imperative—carries with it a possibility that it might not have the desired impact on those who would receive it, as a result of the potential loss of other benefits.

120. The Committee also recognises that, although the costs of introduction of the living wage have varied significantly, and in many cases have been relatively low, there can be hidden additional costs and risks.

121. The Committee recognises that although seven local authorities have introduced the living wage and a number are actively considering doing so, many more local government workers could still benefit. According to the evidence given to the Committee by the SLWC, although 15,000 workers in the public sector have benefited from the living wage, there remain around 18,000 directly employed staff (or 16% of the workforce) in local government who earn less than £7.20 per hour, and who would be eligible for the living wage.

122. The Committee also notes that, according to the SLWC, there are around 350,000 workers in Scotland who are paid less than the living wage, most of those working in the retail and hospitality sectors.⁹⁶ The Committee is particularly concerned for workers in the voluntary and private sectors who might well benefit from receiving a living wage but are probably unlikely to do so in the near future. The Committee also recognises that some of these workers, and the general public, may well be resentful under a perception that state resources, including council tax and other forms of taxation paid by them, may be being used to under-write the provision of a living wage in the public sector.

123. Workers in the voluntary sector might also perceive, rightly or wrongly, that allocating resources to fund the living wage for local authority workers might also mean that the resources available to pay for services out-sourced to the sector could be reduced, with the result that it would be even more difficult than previously for voluntary sector organisations to pay wages at the living wage level.

Role of central government

124. The Committee accepts that it is not for the Scottish Government to determine wages in the private and voluntary sectors and that there are formal negotiating procedures that exist to determine wage levels. However, as the experience in London has shown, the public sector can lead the way by example and increasingly the private sector is likely to come on board

⁹⁶ SLWC. Written submission.

once the business case has been shown, depending on the economic circumstances. As the evidence to the Committee from the GLA and the ODA made clear, private sector organisations have increasingly embraced the London living wage in response to the political leadership shown by the Mayor.

125. As far as local government is concerned, the Committee accepts that local authorities are accountable to their electorates and not to the Parliament or the Scottish Government, and it is, therefore, a matter for individual councils to decide whether or not to introduce the living wage. The Committee also accepts that there will be different circumstances and factors to be taken into account in different areas that may be significant in the decision on whether or not to introduce a living wage. For example, some councils consider that all their workers are already paid more than the living wage and there is therefore no need to introduce it.

126. The Committee notes that the Scottish Government has had no discussions with COSLA on the question of the living wage. In welcoming the commitment by Scottish Ministers to the living wage and recognising that they are not in a position to ensure that local authorities introduce it, the Committee nevertheless calls on the Scottish Government to use its experience, expertise and good relationship with COSLA and with local government generally to seek to encourage the further introduction of the living wage wherever it might be appropriate, taking account of the prevailing economic conditions. The Committee requests to be kept informed of developments in this area.

Procurement issues

127. The Committee notes that the position as regards the extent to which local authorities would be able to specify the payment of a living wage as a condition of the award of contracts under the EU procurement directive is insufficiently clear. The Committee notes that none of the local authorities that has implemented the living wage so far, nor the GLA and ODA, has attempted to impose such conditions, preferring a voluntary arrangement. The Committee also notes that the Cabinet Secretary for Finance, Employment and Sustainable Growth considers that “two instruments of the European legislative regime are not sufficiently clear to allow us to come to a judgment”⁹⁷ about whether such conditions could be specified.

128. The Committee welcomes the fact that the Cabinet Secretary for Infrastructure and Capital Investment has written to the European Commission seeking clarification of this issue.

The voluntary sector

129. The Committee sympathises with organisations in the voluntary sector, which find themselves, in the current financial climate, in the position where

⁹⁷ Scottish Parliament Local Government and Regeneration Committee. *Official Report*, 21 December 2011, Col 497.

they have an increasing number of staff earning less than the living wage and find difficulty in raising salaries because of the likelihood that this could render their tenders uncompetitive. The situation may well be exacerbated, of course, by the pressure on local authority budgets and the decisions that local authorities might make about how to implement the living wage. As was noted earlier, some councils have succeeded in introducing the living wage as part of a wider package that delivered net savings.

130. The clarification that has been sought by the Scottish Government from the European Commission may impact positively on the voluntary sector, if it turns out that it is indeed possible to specify the payment of a living wage, as this would create more of a 'level playing field' between the voluntary, private and local authority sectors.

The business sector

131. The Committee notes the representations made by CBI Scotland about the living wage, particularly those claiming that the living wage would have a longer-term impact on local labour markets and on the affordability of service provision and would have a disproportionately negative effect on young people. The Committee also notes with disappointment that CBI Scotland did not accept the invitation to appear before the Committee to answer questions on its written submission.

132. Nevertheless, the Committee draws the attention of CBI Scotland to the experience of the London living wage, where increasingly the business case for the living wage is being demonstrated and major private sector organisations are coming on board. Indeed, Deloitte, Unilever, JP Morgan and Coca-Cola, as well as Barclays and KPMG in financial service have already implemented the London living wage. The Committee also notes CBI Scotland's point that the public sector pay premium would be "exacerbated" by further adoption of the living wage, and that this would impede the "smooth functioning of local labour markets". However, the Committee takes the view that the living wage would only be applicable to the least well-paid workers and the effect on the premium would therefore be likely to be negligible.

133. The Committee is sympathetic to the views of the FSB and the SCC who expressed concerns over the possibility of the living wage being extended to local government contractors and the uncertainties about specifically whom the living wage would apply to.

134. The Committee also notes the concerns of the small and medium-sized business sectors that the living wage could reduce the competitiveness of local companies and would undermine efforts to maintain employment. The Committee also accepts that the introduction of a living wage into the private sector could bring a number of administrative complexities that would be likely to place upward pressure on the price of contracts and that small to medium-sized businesses may be less able to absorb the costs of implementing the living wage.

Living wage unit

135. The Committee notes the Cabinet Secretary for Finance, Employment and Sustainable Growth's view that there is no need for the establishment of a living wage unit within the Scottish Government. The Committee took the view that the co-ordination and mainstreaming of work on the living wage across different strands of government was more important than there being a dedicated unit.

Final conclusion

136. The Committee hopes that this short inquiry and the parliamentary debate that will follow the publication of this report will help to highlight some of the issues that surround further development of the living wage. The Committee is broadly supportive of the campaign for a living wage and recognises the progress that has been made in London and, more recently, in Scotland, to roll-out the living wage across increasingly diverse sectors. However, the Committee also recognises that decisions on whether or not to introduce the living wage are influenced by a complex range of factors, difficulties and unresolved issues, many of which may vary depending on local circumstances. The Committee also acknowledges that the current economic circumstances bring additional pressures on the public, private and voluntary sectors alike, which do not lead to conditions that are generally favourable in respect of the likelihood of wider introduction of the living wage.

137. Nevertheless, it is commendable that a number of local authorities have succeeded in introducing a living wage as part of an overall package of measures that has meant that the cost to the council has been relatively small. The Committee has recommended earlier in this section that the Cabinet Secretary use his influence with local government to encourage other councils to explore similar schemes. Ultimately, however, decisions on these matters remain, and rightly so, a matter for local elected members.

**ANNEXE A: EXTRACTS FROM THE MINUTES OF THE LOCAL GOVERNMENT
AND REGENERATION COMMITTEE**

13th Meeting, 2011 (Session 4), Wednesday 7 December 2011

Inquiry on a living wage in Scotland: The Committee took evidence from—

Donald Hirsch, Head of Income Studies, Centre for Research in Social Policy, Loughborough University;

Chris Goulden, Policy and Research Manager, Joseph Rowntree Foundation;

Rhys Moore, Director, Living Wage Foundation;

Peter Kelly, Director of the Poverty Alliance, and Dave Moxham, Deputy General Secretary of the Scottish Trade Union Congress, Scottish Living Wage Campaign;

Annie Gunner Logan, Director, CCPS Coalition of Care and Support Providers in Scotland;

Nick Waugh, Policy Officer, Scottish Council for Voluntary Organisations;

Dave Watson, Scottish Organiser, UNISON;

Pat Rafferty, Scottish Secretary, Unite the Union;

Danny Williamson, Industrial Officer, PCS.

Inquiry on a living wage in Scotland: The Committee considered its approach to the inquiry. The Committee agreed to hold a discussion, in private, at the end of each meeting at which oral evidence is taken and to consider the draft reports on the inquiry in private. It also agreed to delegate to the Convener the responsibility for arranging for the SPCB to pay, under Rule 12.4.3, any expenses of witnesses in the inquiry.

Inquiry on a living wage in Scotland (in private): The Committee considered the evidence received on a living wage in Scotland.

14th Meeting, 2011 (Session 4), Wednesday 14 December 2011

Inquiry on a living wage in Scotland: The Committee took evidence, in a video conference, from—

Jeremy Skinner, Senior Manager, Policy and Projects, Greater London Authority;

Julie Amory, Head of Equality and Inclusion, and Loraine Martins, Former Head of Equality, Inclusion, Employment and Skills, Olympic Delivery Agency;

and then, in round-table discussion, from—

Councillor Michael Cook, Strategic Human Resource Spokesperson, COSLA;

Caroline Innes, Deputy Chief Executive, East Renfrewshire Council;

David Coyne, Head of Business and the Economy, Development and Regeneration Services, Glasgow City Council;

Elma Murray, Chief Executive, North Ayrshire Council;

Kay McVeigh, Head of Personnel Services, South Lanarkshire Council;

Paul McGowan, Human Resource Business Partner, West Dunbartonshire Council.

Inquiry on a living wage in Scotland (in private): The Committee considered the evidence received on a living wage in Scotland.

15th Meeting, 2011 (Session 4), Wednesday 21 December 2011

Inquiry on a living wage in Scotland: The Committee took evidence from—

Iain Moore, Head of Procurement Policy Branch, Scottish Government;

Dorothy Cowie, Director, Scotland Excel;

Patrick McGuire, Thompson Solicitors;

John Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth, Iain Moore, Head of Procurement Policy Branch, and Calum Webster, Policy Officer, Employability and Tackling Poverty Policy, Scottish Government.

Inquiry on a living wage in Scotland (in private): The Committee considered the evidence received on a living wage in Scotland.

1st Meeting, 2012 (Session 4), Wednesday 18 January 2012

Inquiry on a living wage in Scotland: The Committee took evidence from—

Colin Borland, Head of External Affairs, Federation of Small Business
Scotland;

Amy Dalrymple, Policy and Research Manager, Scottish Chambers of
Commerce.

2nd Meeting, 2012 (Session 4), Wednesday 25 January 2012

Inquiry on a living wage in Scotland (in private): The Committee considered a
draft report on a living wage in Scotland. Various changes were agreed to, and the
Committee agreed to consider a revised draft at its next meeting.

3rd Meeting, 2012 (Session 4), Wednesday 1 February 2012

Inquiry on a living wage in Scotland (in private): The Committee considered a
draft report on a living wage in Scotland. Various changes were agreed to, and the
Committee agreed the draft report as amended.

ANNEXE B: ORAL EVIDENCE AND ASSOCIATED WRITTEN EVIDENCE OF THE LOCAL GOVERNMENT AND REGENERATION COMMITTEE

13th Meeting, 2011 (Session 4), 7 December 2011

ORAL EVIDENCE

Donald Hirsch, Head of Income Studies, Centre for Research in Social Policy, Loughborough University
Chris Goulden, Policy and Research Manager, Joseph Rowntree Foundation
Rhys Moore, Director, Living Wage Foundation
Peter Kelly, Director of the Poverty Alliance, and Dave Moxham, Deputy General Secretary of the Scottish Trade Union Congress, Scottish Living Wage Campaign
Annie Gunner Logan, Director, CCPS Coalition of Care and Support Providers in Scotland
Nick Waugh, Policy Officer, Scottish Council for Voluntary Organisations
Dave Watson, Scottish Organiser, UNISON
Pat Rafferty, Scottish Secretary, Unite the Union
Danny Williamson, Industrial Officer, PCS
Alex McLuckie, Senior Organiser, GMB

WRITTEN EVIDENCE

[Centre for Research in Social Policy, Loughborough University](#)
[Scottish Living Wage Campaign](#)
[Scottish Council for Voluntary Organisations \(SCVO\)](#)
[Coalition of Care and Support Providers in Scotland](#)
[UNISON Scotland](#)
[PCS Scotland](#)

14th Meeting, 2011 (Session 4), 14 December 2011

ORAL EVIDENCE

Jeremy Skinner, Senior Manager, Policy and Projects, Greater London Authority
Julie Amory, Head of Equality and Inclusion, and Loraine Martins, Former Head of Equality, Inclusion, Employment and Skills, Olympic Delivery Agency
Councillor Michael Cook, Strategic Human Resource Spokesperson, COSLA
Caroline Innes, Deputy Chief Executive, East Renfrewshire Council
David Coyne, Head of Business and the Economy, Development and Regeneration Services, Glasgow City Council
Elma Murray, Chief Executive, North Ayrshire Council
Kay McVeigh, Head of Personnel Services, South Lanarkshire Council
Paul McGowan, Human Resource Business Partner, West Dunbartonshire Council

WRITTEN EVIDENCE

[Greater London Authority](#)
[Olympic Delivery Authority](#)
[COSLA](#)
[East Renfrewshire Council](#)
[Glasgow City Council](#)
[North Ayrshire Council](#)
[South Lanarkshire Council](#)
[West Dunbartonshire Council](#)

SUPPLEMENTARY WRITTEN EVIDENCE

[COSLA](#)
[Olympic Delivery Agency](#)
[Greater London Authority](#)

15th Meeting, 2011 (Session 4), 21 December 2011

ORAL EVIDENCE

Iain Moore, Head of Procurement Policy Branch, Scottish Government
Dorothy Cowie, Director, Scotland Excel
Patrick McGuire, Thompson Solicitors
John Swinney MSP, Cabinet Secretary for Finance, Employment and
Sustainable Growth, Iain Moore, Head of Procurement Policy Branch, and
Calum Webster, Policy Officer, Employability and Tackling Poverty Policy,
Scottish Government

WRITTEN EVIDENCE

[Scotland Excel](#)
[Scottish Government, Procurement Directorate](#)
[Thompsons Solicitors](#)

SUPPLEMENTARY WRITTEN EVIDENCE

[Cabinet Secretary for Finance, Employment and Sustainable Growth](#)
[Thompsons Solicitors](#)

1st Meeting, 2012 (Session 4), 18 January 2012

ORAL EVIDENCE

Colin Borland, Head of External Affairs, Federation of Small Businesses
Scotland
Amy Dalrymple, Policy and Research Manager, Scottish Chambers of
Commerce

WRITTEN EVIDENCE

[Federation of Small Businesses Scotland](#)
[Scottish Chambers of Commerce](#)

FURTHER WRITTEN EVIDENCE

[CBI Scotland](#)
[Trust for London](#)

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