

The Living Wage in Scotland:

Motivations and benefits for the built
environment sector

Welcome

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Please Participate!



Please ask your
Questions via the
Question and Answers
(rather than the chat!)
Speakers will respond
during the session in the
Q&A and at the end




The session will be
recorded
Slides/recording will be
distributed afterwards.

Supply Chain Sustainability School Scotland Resources & Events


Virtual Conference
Weds 15 May 2024 10:00-12:00


Accelerating Retrofit in Scotland:
Opportunities in Non-Domestic
Buildings


 **Scotland**

Supporting the construction industry in Scotland to deliver more sustainable projects; reducing carbon and waste, delivering value to the community and improving efficiency.

Search our catalogue of **FREE** training resources

Search All Learning 

 **ASSESS NOW >**

 **RESOURCES FOR YOU >**

Working to build a sustainable Scotland

The Supply Chain Sustainability School in Scotland provides support to the construction industry to help build skills and knowledge in sustainability.

SCOTLAND RELATED RESOURCES >

Algeco, Robertson, Balfour Beatty, Kier, Skanska, BAM, Marshalls, McLaughlin & Harvey, Morgan Sindall, Multiplex, SGN, SP Energy Networks, SSE, VGC, Scottish Water, Speedy Services, Certas Energy, Taziker, Keepmoat and Reconomy are collaborating with other leading contractors, suppliers and industry stakeholders, such as BE-ST and Zero Waste Scotland, to tackle the environmental and social sustainability issues within the Scottish construction industry.

80% of major contractors' turnover goes to their supply chain, mostly SMEs. The School is funded by major contractors to help develop sustainability skills across Scotland. Our key areas of focus reflect national priorities on sites across Scotland:

- Drive zero waste and carbon
- Tackle modern slavery
- Ensure responsible sourcing
- Create a culture of fairness, inclusion and respect

Agenda:

Anna Hirvonen, Living Wage Scotland

Mary Alexander, Fairwork Convention

Mia McCarthy, SSE plc

Questions & Answers

Living Wage Scotland

Anna Hirvonen
Living Wage Accreditation Officer





Living Wage in Scotland - Motivations and Benefits for the Built Environment Sector



Living Wage Scotland

Visit Our Website
scottishlivingwage.org



JRF - Poverty in Scotland 2023



Over one million people still live in poverty in Scotland



Five high-priority industries play a key role in maintaining in-work poverty



Of those people trapped in persistent low pay, 72% are women



Just over 10% of workers in Scotland are locked in persistent low-pay (paid below the real Living Wage)



The statutory child poverty reduction targets are unlikely to be met without significant additional Scottish Government action

Real Living Wage



What is it?

A voluntary rate of pay based on the cost of living that goes beyond the legal minimum.

The real Living Wage is an independently calculated rate based on the cost of living and is paid voluntarily by employers. The rates are calculated by the Resolution Foundation based on the best available evidence about living standards in London and the UK. Living Wage rates 2023/24 were announced on the 24th of October and are £12 across the UK and £13.15 in London.

Who pays it?

There are currently more than 3400 accredited Living Wage employers in Scotland and more than 14 000 across the UK.



Living Wage Accreditation



1

The accrediting employer must ensure all directly employed members of staff aged 18 and over are paid at least the real Living Wage.

2

Accrediting employers must ensure that, to the extent permitted by law, all contracted workers who regularly work on premises are paid the real Living Wage

3

Support from the Living Wage Scotland team throughout the process!

Employer Experience

94% of accredited Living Wage Employers reported having benefited from their accreditation

Attracting talent

Increasing productivity

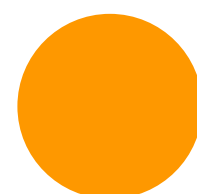
Improved business reputation

Signal of social responsibility

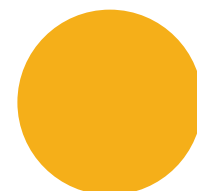


“The commitment to the real Living Wage has given us the opportunity to make a real and valuable statement that our people are valued and do an important and socially valuable job for our customers and communities. Our partners and contractors have also seen the value in this commitment and have been supportive of the fair work principles. This results in a real and lasting impact on the local economy.” - Nile Istephan, Chief Executive Officer, Eildon Housing Association

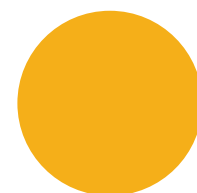
Impact of the Living Wage Movement



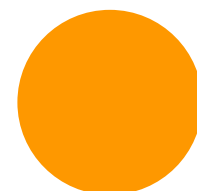
Over 3400 accredited Living Wage employers in Scotland



More than 64,200 workers set to benefit from a pay boost as a result of the latest Living Wage rates increase



£485 million in extra wages has gone to low-paid workers in Scotland since the campaign began



Across the whole of the UK, £3bn in extra wages has gone to low paid workers since 2011

Living Hours Accreditation



**people in Scotland are in insecure work
and earn less than the real Living Wage**

**That's over 9%
of the Scottish workforce**



Precarious work disproportionately affects our lowest-paid workers in industries such as retail, health and social care. Research from the Living Wage Foundation in August 2023 concluded that over 9% of workers in Scotland are in insecure work and paid below the Living Wage.

Living Hours Criteria

At least 4 weeks' notice for every shift, with guaranteed payment if shifts are cancelled within this notice period.

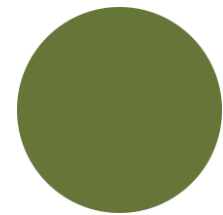
A guaranteed minimum of 16 working hours every week (unless the worker requests otherwise)

A contract that accurately reflects hours worked

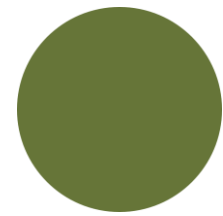
Living Pension

The Living Pension standard builds on the work of the real Living Wage by providing stability and security for workers now and in the future.

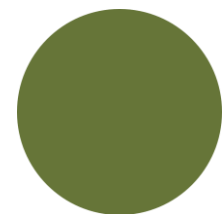
It is a voluntary savings target for employers, to help workers build up a pension pot that will provide enough income to meet basic everyday needs in retirement. It is independently calculated based on the real cost of living.



Open to all accredited Living Wage Employers. To become a Living Pension Employer, organisations must provide a Living Pension savings level, using either a cash or percentage target.



Annual savings benchmark of £2800 this equates to 12% full time Living Wage salary (based on 37.5 hours per week)



The Living Pension must apply to all directly employed staff (regardless of age and earnings) and, over time, third party contracted staff within scope of the Living Wage.





Thank You

For Your Attention

Email
anna.hirvonen@povertyalliance.org



Visit Our Website
scottishlivingwage.org



Fairwork Convention

Mary Alexander
Co-Chair





FAIR WORK CONVENTION

Mary Alexander

Fair Work Convention Co-Chair

The Fair Work Convention

The Convention is independent of Government and brings together employers and unions with academic expertise to:

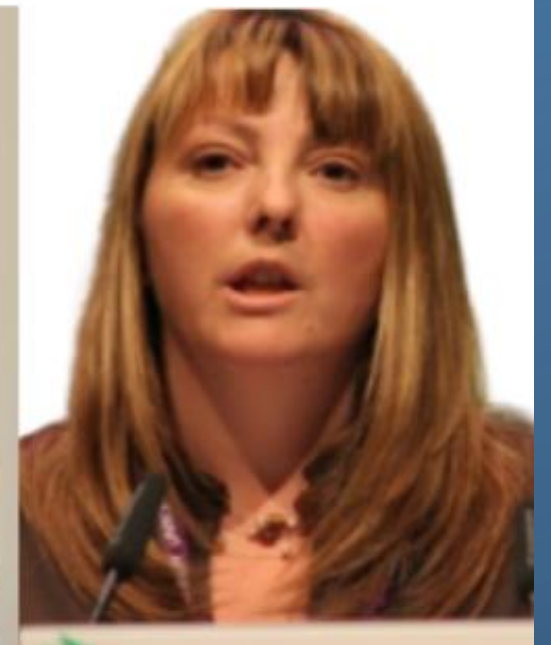
- Advise Ministers on Fair Work
- Advocate and Promote Fair Work

Our vision is that, by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.










**FAIR WORK
CONVENTION**



What is Fair Work?



-  **Effective Voice:** Having effective voice means that all workers should be able to have a say in how work is organised and run. Having an effective voice is critical to delivering the other dimensions of Fair Work.
-  **Opportunity:** Everyone should have equal access to work and no one should face barriers progressing in work due to age, race, gender, sexual orientation or disability. Progression should also not be dependent on job role or contract type.
-  **Security:** Job security means contracts should be fair- not one sided. Wages should be stable and predictable. Hours should be agreed and predicable and should allow you to earn a decent living.
-  **Fulfilment:** Having a level of autonomy at work. Having roles that are well designed, which use people's skills and talents and recognises their contribution.
-  **Respect:** Work should always be conducted in a way that offers respect and dignity. It should be safe and it should promote well-being and work-life balance



Why apply fair work in procurement?

- In the absence of control over employment law the Scottish Government is committed to using public sector investment to drive fair work practice across the economy.
- Every pound of public money should support positive economic outcomes. Fair Work is key part of this agenda.
- Fair Work is good for workers, employers and the community.
- For workers, it brings increased financial security, better physical health and greater psychological wellbeing.
- For business, it brings more engaged, committed and adaptable workers who spot challenges and opportunities, solve problems, offer insight and ideas for business improvement and create value.
- Fair Work improves productivity, innovation, organisational reputation and recruitment, reduce staff turnover, and lead to diverse workplaces with a richness of talent and a diversity of ideas.

Scottish Government: Fair Work First

Scottish Government's flagship policy for applying fair work criteria **to grants, other funding and procurement contracts** being awarded by and across the public sector, where it is relevant to do so.

Through this approach the Scottish Government is asking employers to adopt fair working practices, specifically:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace; and
- **payment of the Real Living Wage.**
- family friendly working
- opposition to fire and rehire

Social Care Inquiry

The inquiry found that:

- the social care sector is not consistently delivering fair work;
- the existing funding and commissioning systems are making it difficult for some providers to offer fair work; and
- the social care workforce does not have a mechanism for workers to have an effective voice in influencing work and employment in the sector.

The report makes 5 recommendations including for the Scottish Government to support the creation of a new sector body that establishes a sectoral bargaining agreement in social care.



Fair Work in Construction Inquiry

- Inquiry identified a range of fair work issues in Construction.
- It considered how fair work in procurement is being used and made recommendations. It also considered the role of industry leadership groups.
- Recognised future challenges and need to transition to net zero carbon economy along with issues around an aging workforce. SDS estimates that an additional 79,100 workers will be needed in construction by 2029
- Building blocks for collaborative working and supporting skills, standards and fair work in the industry all still exist.
- To make fair work a reality, Government and other public agencies must support the existing collective agreements and promote their use and effective implementation.
- Valuing and using collaborative agreements and collaborative and inclusive ways of working in the industry will help us support fair work and modernisation within construction and also achieve Scotland's net zero carbon targets.



Fair Work in Construction Inquiry: Procurement



- There was a strong desire for fair work to **be consistently applied and implemented throughout the supply chain** to create a **level playing field** for all contractors.
- The inquiry found examples of fair work clauses having meaningful impact on outcomes for workers where they are **monitored and enforced**. However community benefit clauses were more likely to be effectively monitored than general fair work commitments.
- All contracting authorities should **include adherence to relevant collectively bargained pay rates** as a condition of contract. Introducing this as a **clause within industry standard form contracts** is an efficient, proportionate and transparent way to implement this and to ensure that it is applied throughout the supply chain.

Fair Work in Construction Inquiry: Procurement- Findings



- All contracting authorities should be signatories to a Fair Work Charter collectively agreed with employers and trade unions. The Scottish Government should also facilitate the appropriate industry leadership group/forum, in negotiation with trade unions, to develop a single charter that sets out principles for advancing fair work in the industry.
- **The single Fair Work Charter should then be used as a pass/fail condition within all construction procurement exercises in Scotland to ensure appropriate fair work standards are applied throughout the supply chain.**

Conclusion

- Fair work matters
- Including fair work effectively can have a meaningful impact
- Purpose should be to use procurement to drive up fair work practice as fair work creates better outcomes for employers, workers and the Scottish economy.
- **The Real Living Wage** has an important role to play and should be mandated within contracts as much as possible and should drive up low pay.
- It is also important to think about pay progression and the rate for the job through collective bargaining.



SSE plc

Mia McCarthy
Head of Sustainability, SSE Ireland



|| **WHO WE ARE**

- We are a leading generator of renewable electricity and one of the largest electricity network companies in the UK.
- We develop, own and operate low carbon infrastructure to support the zero-carbon transition.
- This includes onshore and offshore wind, hydro power, electricity transmission and distribution grids, and efficient gas-fired generation, alongside providing energy products and services for businesses
- We have interests across Great Britain and Northern Ireland, Republic of Ireland, Japan, Spain, Portugal, Denmark and Poland.

SSE: A purposeful business

OUR PURPOSE

To provide energy needed today while building a **better world** of energy for tomorrow.



OUR VISION

To be a leading energy company in a **net zero** world.




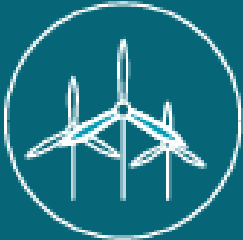
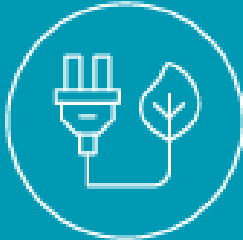




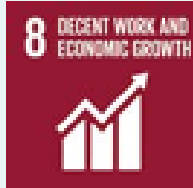
OUR STRATEGY

To **create value for shareholders and society** in a sustainable way by developing, building, operating and investing in the infrastructure and businesses needed in the transition to net zero.



UN SDGS and SSE's 2030 goals

Creating value for shareholders and society

 Cut carbon intensity by 80%	 Increase Renewable energy output fivefold	 Enable low-carbon generation and demand	 Champion a fair and just energy transition
Reduce Scope 1 carbon intensity by 80% by 2030, compared to 2017/18 levels to 61gCO ₂ e/kWh	Build a renewable energy portfolio that generates at least 50TWh of renewable electricity a year by 2030.	Enable at least 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks by 2030.	Be a global leader for the just transition to net zero, with a guarantee of fair work and commitment to paying fair tax and sharing economic value.
			

Four core 2030 business goals directly linked to the UN SDGs most material to SSE

Performance linked to executive remuneration



10 Years of being a Living Wage employer

- Fair remuneration is a cornerstone of responsible employment and providing good jobs. SSE is actively involved in the living wage movement.
- Having been a real Living Wage accredited employer in the UK since 2013, it has also paid the Living Wage in Ireland since 2016 and continues to chair the Living Wage Scotland's Leadership Group.
- In recognition that the amount of pay employees take home can be affected by irregular and unpredictable hours, SSE became one of the first companies in the UK to become a Living Hours accredited employer in 2021. Living Hours employers must provide guarantees around working hours, including a minimum 16-hour a week contract and greater notice of shift patterns
- In November 2023 SSE- became accredited as a Living Pensions employer becoming one of the first companies in the UK to achieve accreditation in all three of the Living Wage schemes – pensions, hours and wages

Living Wage Resources

Results for "living wage"

Jump to: [Resources](#), [Pages](#), [News](#)

Resources



EMPLOYMENT CONDITIONS

The Living Wage in Scotland: Motivations and benefits for the built environment sector
Lunch N Learn

EVENT OR WORKSHOP

This 1 hour webinar with Living Wage Scotland will explore the benefits for companies and employees

Beginner ⌚ 60 minutes

[LEARN MORE >](#)



WASTE AND RESOURCE EFFICIENCY

National Minimum Wage and National Living Wage Rates

WEB LINK

Current, legally binding rates of minimum wage, applicable to all ages and types of employees.

Beginner ⌚ 15 minutes

[LEARN MORE >](#)



WAGES

The real Living Wage is good for people

WEB LINK

Hear from workers on the difference the Living Wage can make.

Beginner ⌚ 5 minutes

[LEARN MORE >](#)



WAGES

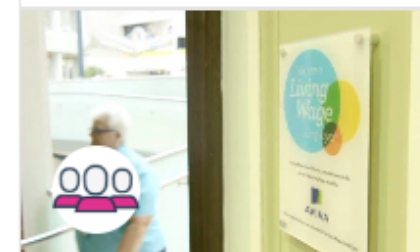
Living Wage Employers: Evidence of UK Business Cases

DOCUMENT / PRESENTATION

Understanding the qualitative and quantitative benefits to businesses of paying the Living Wage.

Advanced ⌚ 60 minutes

[LEARN MORE >](#)



WAGES

The Living Wage – An Employee Testimony

WEB LINK

A short video - Hear directly from an Aviva employee.

Beginner ⌚ 5 minutes



WAGES

Living Wage Foundation Business Directory

WEB LINK

Helping you find living wage employers or recognised service providers to do business with.

Beginner ⌚ 15 minutes



WAGES

The Costs And Benefits Of London's Living Wage

DOCUMENT / PRESENTATION

Research into quantitative costs and benefits of paying London Living Wage.

Advanced ⌚ 120 minutes



EMPLOYMENT

Living Wage Foundation: Life On Low Pay

DOCUMENT / PRESENTATION

Understanding the real impact of low pay on people's lives

Beginner ⌚ 10 minutes

Decarbonising Transport Together (Part 3): Low Carbon Innovation

WEBINAR - THURSDAY 18 JANUARY 2024, 11:00 AM - 12:00 PM

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Thank you for joining!

We value your feedback, please do fill out our [Feedback Form - click here](#) before you leave.

This will only take 2 minutes.

