



## **Consultation by John Park MSP**

### **Member for Mid Scotland and Fife Region**

### **Living Wage (Scotland) Bill**

**A proposal for a Bill to (a) require private sector employees working on public sector contracts to be paid the Living Wage; and/or (b) require the Scottish Ministers to prepare and report to the Parliament on a strategic plan to promote the Living Wage.**

**November 2012**

#### ***Introduction***

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy.

This is achieved in a number of different ways - through roadshow, round table, conference and celebratory events. Following each event a report is compiled and issued to women who attend and relevant policy and decision makers.

The SWC uses the views of women to respond to Scottish and UK Government consultation papers.

#### ***SWC Evidence Source***

The Scottish Women's Convention engages with women using numerous communication channels including Roadshow events throughout Scotland, Thematic Conferences and regional contact groups. During these events concerns have been raised regarding low wages and how the implementation of a Living Wage would benefit women in Scotland. This consultation response provides the views of women and reflects their opinions and experiences in a number of key areas relevant to this consultation document. The SWC have only responded to questions that relate to what women have discussed.

### Purpose of the Consultation

The proposal aims to address low pay amongst private sector employers working with the public sector by using contractual arrangements within public sector procurement. Businesses who benefit from public sector contracts would be obliged to pay the Living Wage to employees engaged in the relevant contract.

The proposal also aims to place a general duty on the Scottish Ministers to promote the Living Wage to all employers, requiring them to set out a promotional strategy and report on progress being made on the uptake of the Living Wage.

#### **Q1. Do you support the general aims of the proposed Bill?**

##### **YES**

The SWC fully supports any proposal which ensures that the lowest paid workers in Scotland are given a Living Wage. The SWC welcomes measures already in place by the Scottish Government and NHS Scotland, both of whom pay those directly employed by them at very least the living wage of £7.20 per hour. The Local Authorities who have undertaken this pledge are also to be commended.

The categories of business in the private sector which are procured by the public sector - such as sales and customer service, cleaners, kitchen and catering assistants - are areas in which women predominate. Gender streaming within schools, lack of accessible, affordable childcare and other barriers such as poor public transport, all contribute to many women undertaking low paid, low skilled jobs.

Poor wages often mean women have to use welfare benefits, such as housing and council tax benefit and tax credits, in order to 'top up' their income. The Welfare Reform Act 2012 will completely change the way in which benefits and tax credits are applied for and administered. No information has been given to those in receipt of benefits as to how these changes will affect them. This has led to a great deal of uncertainty and anxiety amongst women who rely on this money to supplement the wages they earn.

Implementation of the Living Wage would be an important step towards making work pay and would go some way to reducing reliance on 'top up' assistance from benefits.

The SWC also support the proposal to place upon Scottish Ministers a duty to promote the Living Wage to all employers. The Scottish Government, as Living Wage employers, are in a position to lead by example. Payment of a Living Wage is beneficial for both employer and employee and Scottish Ministers should do all they can to highlight this.

**Q.3 What do you consider will be the advantages or disadvantages for employers and employees if public sector performance clauses stipulate the payment of the Living Wage?**

There would be benefits to both employer and employee through the implementation of the Living Wage.

For employees, the main advantage would come from earning a wage which 'makes work pay'. The reasons outlined in Question 1, as to why the SWC support the general proposals of the Bill, all demonstrate advantages to the employee.

The main advantage for employers would come through a more productive workforce who are more likely to remain in employment as a result of being paid a decent wage.

**Q6. What information must be included in the Scottish Ministers report to the Scottish Parliament?**

The SWC agrees with the minimum information set out at paragraph 77 of the consultation document. It is vital that any statistics demonstrating delivery of the Living Wage include a gender breakdown. This will show whether women are disproportionately affected by the implementation of the Living Wage and if so, will encourage Scottish Ministers to take measures to change this.