

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 2 September 2021

Fair Work Action Plan and Living Wage Edinburgh

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that the Housing, Homelessness and Fair Work Committee:
 - 1.1.1 Notes the draft Fair Work Action Plan and the policy levers the Council can draw upon to further the fair work agenda in Edinburgh;
 - 1.1.2 Notes that further engagement with stakeholders on the details of this plan will be carried out in alignment with consultation activities underway for the refresh of the Edinburgh Economy Strategy;
 - 1.1.3 Agrees that a final Fair Work Action Plan will be considered by this Committee following approval of the Edinburgh Economy Strategy in November 2021;
 - 1.1.4 Notes update on progress towards achieving Edinburgh's accreditation as a Living Wage City and the work carried out to date with city partners; and
 - 1.1.5 Agrees the Council actions included in the draft Edinburgh Living Wage City Action Plan.

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Fair Work Action Plan and Living Wage Edinburgh

2. Executive Summary

- 2.1 This report responds to commitments made in the Council Business Plan and sets out draft actions for Council leadership to promote fair work in Edinburgh.
- 2.2 The action plan sets out key commitments for the Council to implement in its role as an employer, a procurer of goods and services, a provider of business support, a provider of employability and skills support, and a convener for change in the city.
- 2.3 The plan is developed in alignment with engagement and consultation activity underway in refresh of the Edinburgh Economy Strategy and its work to identify actions to 'Promote access to fair work and opportunities for people to progress'.
- 2.4 The report also provides an update on work to establish an Edinburgh Living Wage Action Group and actions to achieve accreditation for Edinburgh as 'Living Wage City'. Council commitments incorporated in this work are provided for consideration by committee.

3. Background

- 3.1 Numbers 2, 3, 6 and 7 of the Council Commitments pledge to further the fair work agenda by increasing access to employment and training opportunities for young people and people with disabilities, promoting business development opportunities throughout the city, and working with the business community to grow the number of living wage employers year on year in Edinburgh.
- 3.2 The Edinburgh Poverty Commission published its final report in [September 2020](#). The report made a call to action for the city to end poverty in Edinburgh by 2030, including a critical call for action to ensure people in Edinburgh can access 'Fair work that provides enough to live on'.
- 3.3 The report cited the Living Wage Places programme, operated by Living Wage Scotland as a key opportunity for the city to radically reduce the number of city workers relying on low pay. This scheme encourages local partners to collaborate and co-design the actions needed to increase the number of local employers committed paying at least a Real Living Wage to all their employees.
- 3.4 In response to the Commission findings, in [December 2020](#) the Policy and Sustainability Committee agreed the Council's End Poverty in Edinburgh Delivery

Plan 2020-30. This plan incorporated a priority action for the Council to work with employers, Trades Unions, social enterprises, and public sector bodies to establish an action group to make Edinburgh as a Living Wage City in 2021, in line with the accreditation process operated by Living Wage Scotland.

- 3.5 This commitment was further incorporated within the Council Business Plan in [February 2021](#). Outcome 3 of the plan aims to ensure that 'More people experience Fair Work and receive the living wage', with actions agreed to achieve accreditation for Edinburgh as a Living Wage City and promote the use of living wage and other fair work practices throughout the city economy. This outcome is one of fifteen key aims that have been prioritised in the Planning and Performance Framework, produced in June 2021, to monitor progress and support Committee scrutiny of the Business Plan.
- 3.6 These actions are embedded within ongoing work to refresh the Edinburgh Economy Strategy in response to the need for a strong and fair recovery from the economic effects of pandemic. A consultation draft of a refreshed Edinburgh Economy Strategy was approved by Policy and Sustainability Committee in [June 2021](#). The draft outlines city and Council actions needed to 'Promote access to fair work and opportunities for people to progress'.
- 3.7 Consultation on this draft Edinburgh Economy strategy is underway between July and October 2021, with a final draft planned for review by the Policy and Sustainability Committee in November 2021. This draft fair work action plan represents a part of that wider strategy development process.
- 3.8 In [June 2021](#), the Housing, Homelessness and Fair Work Committee noted, in its Business Bulletin, that work was underway to establish a Living Wage Edinburgh action group.

4. Main report

- 4.1 This paper provides a draft action plan setting out key steps the Council can take to promote fair work in Edinburgh. The report adopts a definition of fair work developed by the Fair Work Convention which proposes that all employees should have access to
- 4.1.1 **An effective voice in the workplace** - a safe environment where challenges are dealt with constructively and where employee views are sought out;
 - 4.1.2 **An opportunity to access work** - opportunity for people from all backgrounds to access and progress in work and employment;
 - 4.1.3 **Security of income** - secure employment, with predictable hours and income. Paying at least the Real Living Wage and building stability into contractual arrangements;
 - 4.1.4 **Fulfilment at work** - work that provides an opportunity to learn, to use talents and skills, to engage in challenging activities, and to solve problems; and

4.1.5 **Respect at work** - work that protects the health, safety and well-being of workers. Work that treats employees as dignified human beings, recognising their standing and human worth.

4.2 As the action plan provided in Appendix 1 to this paper notes, improvement across these aspects of fair work is critical to the city's ambitions to end poverty by 2030, but also to the city's aims for a strong and fair recovery from the economic effects of pandemic. Such a recovery requires action to support businesses to innovate and adapt, to improve productivity and competitiveness in key sectors.

4.3 Research by Strathclyde University and others has shown that the adoption of fair work practices can underpin these goals. Businesses which adopt such practices are likely to be more innovative, more in line with consumer expectations, with more committed workforces, improved skills utilisation and better workforce retention. All these factors are key to underpinning the high performance and higher productivity Edinburgh needs for a strong recovery.

Council actions to promote fair work

4.4 The action plan provided in Appendix 1 sets out five levers through which the Council can play a critical role to promote fair work in Edinburgh.

4.4.1 As an **employer**, it can ensure that its 18,000+ staff are treated fairly by receiving at a minimum the Real Living Wage and feel secure, supported, fulfilled, and respected in their roles;

4.4.2 As a **purchaser, investor and commissioner of services**, it can enable that procurement and tendering of third parties meet fair work principles;

4.4.3 As a **supporter of business**, it can advise and guide large corporates and SMEs investing in the city to consider implementing fair work options to their workforces;

4.4.4 As a **provider of employability and skills support**, it can help people build the skills they need to access good quality jobs; and

4.4.5 As a **convenor of change**, it can advocate and work with partners to influence and support businesses across the city to make a commitment to fair work, including establishing Edinburgh as a Living Wage City.

4.5 Key draft actions against each of these levers are set out in the plan provided in Appendix 1.

Edinburgh Living Wage City

4.6 As a core part of the draft fair work action plan, and in line with Council Business Plan commitments, work is underway to establish an Edinburgh Living Wage City Action Group.

4.7 The group comprises of 10 employers across a range of sectors in the city – including higher education, third sector, financial services, hospitality, culture, retail, tourism, and trades unions – who are committed to working with Living Wage Scotland to achieve and maintain accreditation for Edinburgh as a 'Living Wage City'.

- 4.8 In order to meet criteria for accreditation, the group has committed to agreeing and implementing a local action plan designed to:
- 4.8.1 Research and understand the living wage landscape in Edinburgh, and the support/actions needed to encourage growth in take up;
 - 4.8.2 Celebrate employers working together locally to promote the real Living Wage and accreditation take up;
 - 4.8.3 Design and deliver events and actions to encourage and support more Edinburgh businesses to become living wage employers, particularly in key target sectors; and
 - 4.8.4 Promote and encourage adoption of 'Fair Work' business practices in all sectors and types of business in Edinburgh.
- 4.9 The action group will be chaired by the Convener of the Housing, Homeless, and Fair Work Committee, alongside a business leader co-chair.
- 4.10 Appendix 2 to this report provides a draft Edinburgh Living Wage City Action Plan. This plan has been prepared in collaboration with members of the Action Group and will be used to submit an application to Living Wage Scotland for Edinburgh's formal accreditation as a Living Wage City.
- 4.11 The plan incorporates a number of actions for Council leadership, including:
- 4.11.1 Provision of secretariat support for the group through officers of the Council's Policy and Insight team;
 - 4.11.2 Commitments to maintain living wage accreditation;
 - 4.11.3 Commitment to present the Living Wage Action Plan to the Edinburgh Partnership Board to seek the commitment of all members to the plan and encourage all members to become Living Wage Employers;
 - 4.11.4 Commitment to support actions led by the group to improve understanding of the barriers to and benefits of living wage accreditation among key target sectors in Edinburgh;
 - 4.11.5 Commitment to support actions of the group to promote and encourage Edinburgh employers to pursue living wage accreditation;
 - 4.11.6 Commitment to support actions of the group to celebrate achievement of milestones and celebrate new employers achieving living wage accreditation; and
 - 4.11.7 Commitment to monitor and evaluate the progress of the action group through annual reports published in Living Wage Week each year.

5. Next Steps

- 5.1 Continuing development of the draft Fair Work Action Plan will be carried out in line with consultation and engagement underway in development of the refreshed Edinburgh Economy Strategy.

- 5.2 A final draft of the Edinburgh Economy Strategy will be considered by Policy and Sustainability Committee in November 2021. Following approval of that report, a final draft of the Council's Fair Work Action Plan will be prepared for consideration by the Housing, Homelessness, and Fair Work Committee. A report on progress towards delivery the Fair Work Action Plan will be considered by Committee on an annual basis.
- 5.3 Subject to approval of Council commitments, the Edinburgh Living Wage City Action Plan will be submitted to Living Wage Scotland to be considered for accreditation. Progress updates will be reported back to Committee in line with reporting on the Fair Work Action Plan.
- 5.4 Subject to successful accreditation process, a series of communications and engagement activities will be held to celebrate the city's new status and champion businesses that promote fair work and the living wage in Edinburgh. These actions are planned to commence from Living Wage Week in November 2021.

6. Financial impact

- 6.1 Actions in this report can be taken forward within existing agreed budgets. Any additional impacts arising will be considered as part of future reports to Housing, Homelessness and Fair Work Committee.

7. Stakeholder/Community Impact

- 7.1 Details of stakeholder and community engagement in delivery of a renewed Fair Work Action Plan (including the work of the Living Wage Edinburgh Action Group) are outlined in the main report section and will be considered as part of future reports to Housing, Homelessness and Fair Work Committee.

8. Background reading/external references

- 8.1 [Council Commitments](#)
- 8.2 [A Just Capital: Actions to End Poverty in Edinburgh](#) – the final report of Edinburgh Poverty Commission
- 8.3 [End Poverty in Edinburgh Delivery Plan 2020-30](#)
- 8.4 [Business Plan: Our Future Council, Our Future City](#)

9. Appendices

- 9.1 Appendix 1 – Fair Work – Draft Action Plan.
- 9.2 Appendix 2 – Edinburgh Living Wage City – Draft Action Plan.

City of Edinburgh Council Fair Work Action Plan

September 2021

Contents

1. Introduction	2
2. Fair Work: Challenges and Opportunities	3
3. Actions to promote fair work	6
Actions as an employer	6
Actions as a purchaser, investor and commissioner of services	8
Actions as a supporter of business	9
Actions as a provider of employability and skills support	10
Actions as a convenor of change	10
4. Next steps	11
5. Table of actions	12

1. Introduction

This paper provides a draft plan setting out actions the City of Edinburgh Council can take to promote fair work in Edinburgh.

The paper is developed as part of consultation and engagement activity underway in development of a refreshed Edinburgh Economy Strategy, and in fulfilment of commitments to promote fair work made in the Council Business Plan.

Background

The Edinburgh Poverty Commission published its final report in September 2020. The report made a call to action for the city to end poverty in Edinburgh by 2030, including a call to ensure people in Edinburgh can access ‘Fair work that provides enough to live on’.

In response to the Commission findings, in December 2020 the Policy and Sustainability Committee agreed the Council’s End Poverty in Edinburgh Delivery Plan 2020-30. This plan incorporated a priority action for the Council to establish an action group to make Edinburgh as a Living Wage City in 2021, in line with the accreditation process operated by Living Wage Scotland.

This commitment was further incorporated within the Council Business Plan in February 2021. Outcome 3 of the plan aims to ensure that ‘More people experience Fair Work and receive the living wage’.

These actions are embedded within ongoing work to refresh the Edinburgh Economy Strategy in response to the need for a strong and fair recovery from the economic effects of pandemic. A consultation draft of a refreshed Edinburgh Economy Strategy was approved by Policy and Sustainability Committee in June 2021. The draft outlines city and Council actions needed to ‘Promote access to fair work and opportunities for people to progress’.

A Fair Work Action Plan

This paper builds on these commitments to set out a framework of action to promote fair work. The paper:

- Provides a definition of ‘Fair Work’, and outlines the challenges and opportunities faced by the city
- Provides an overview of the levers available to the Council to promote fair work across the city, and
- Sets out 30 actions for Council delivery over the next three years to improve access to fair work for Edinburgh citizens.

In setting out the framework, this paper includes an overview of key metrics and measures of progress.

Continued development of this plan will take place in line with consultation on the Edinburgh Economy Strategy over July to October 2021. A final draft action plan will be published for approval by Council following publication of the final Edinburgh Economy Strategy in November 2021.

2. Fair Work: Challenges and Opportunities

Fair work, according to the Fair Work Convention, is work that balances the rights and responsibilities of employers and workers and covers five notable criteria, offering all individuals:

- an **effective voice** in the workplace
- an **opportunity** to access work
- the **security** of income
- **fulfilment** at work
- **respect** at work.



The Convention note that, together, these points can “generate benefits for individuals, organisations and society”¹.

Indeed, the Chartered Institute of Personnel and Development (CIPD) recognise that, fair work “is essential to ensuring that we build back better and deal with the structural inequalities that persist in our workplaces and labour market”. They also note that it is “an important tool that supports positive workplace change, innovation and productivity, and is fundamental to delivering Scotland’s wider social and economic ambitions”².

¹ <https://www.fairworkconvention.scot/the-fair-work-framework/>

As Edinburgh seeks to recover from the social and economic impact of the Covid-19 pandemic, there is an opportunity to promote fair work principles to be embedded within the city’s economic recovery.

On average, Edinburgh remains a high employment, high wage economy, but there are deep inequalities, concerns around low pay, insecurity, exploitative contracts and limited opportunities for job progression for too many people:

- Pre Covid the majority (65%) of people in poverty in Edinburgh were in working households
- Around one in ten (9%) of all jobs were casual, temporary or non-contract.
- In a survey of citizens ‘work does not pay enough’ was the single factor most commonly raised as a cause of poverty in Edinburgh – cited by 83% of all respondents.
- 27% of Edinburgh jobs do not provide workers with ‘satisfactory’ pay, contracts, or hours, and
- Approximately 37,000 Edinburgh workers are paid less than £9.50 ph, the current threshold set by the Living Wage Foundation.

Many of these issues were explored and evidenced in the findings of the Edinburgh Poverty Commission, while recent analysis by CIPD also indicates that across Scotland:

² Zemanik, M. (2021) *Working Lives Scotland 2021*. London: Chartered Institute of Personnel and Development.

- 26% of employees felt their work impacted negatively on their mental health
- less than a third (31%) of employees believed their job offered good prospects for career advancement
- one-fifth (19%) said they had no effective channel to raise concerns at work³.

These findings highlight that unfair work can have a negative effect on workers' personal lives and their relationships with their employers, which consequently can be disadvantageous for business development.

Business benefits of fair work

There is a growing body of evidence to suggest a strong business case for employers to offer fair work to employees. Interviews and analysis carried out by Strathclyde Business School show that competitive pay helped reduce staff turnover, resulting in better performance, productivity, and service quality. Businesses also noted that retaining high performing staff, due to fair work, allowed them to innovate, and invest more in product development and customer service skills.

Further to these findings, the analysis showed that businesses that are committed to fair work are successful in enhancing their reputation and attracting custom due to their 'ethical' attitudes.

³ Zemanik, M. (2021) *Working Lives Scotland 2021*. London: Chartered Institute of Personnel and Development.

Such findings are consistent with other research carried out by the Living Wage Foundation. Their research shows that paying a living wage can be good for business with:

- 83% of businesses saying it improved reputation of their business
- 75% saying it increased motivation and retention rates for employees
- 64% saying it helped differentiate themselves from others in their industry, and
- 58% saying it helped improve relations between managers and their staff.

Similar research indicates a growing expectation among high skilled workers and consumers for businesses to adhere to fair work practices. Living Wage Foundation research finds that:

- 93% of University students want to work for Living wage accredited employers
- 87% of consumers think companies should voluntarily pay the real living wage, and
- 90% of consumers agree that pay should reflect living costs.

Fair work and the gender pay gap

From 2017, all employers with more than 250 staff on the payroll must comply with national regulations by reporting and publishing

their gender pay gap information. Organisations are obliged to accompany these reports with a statement and action plan explaining the gender pay gap and what measures they will take to address this.

This annual public declaration is important in addressing the gender pay dissimilarities in workplaces, but it does raise further questions about why work is not fair for women in the first place.

Analysis by Close the Gap⁴, indicates that there are a number of other factors at play, including:

- a lack of quality part-time and flexible work is available
- “occupational segregation” – the clustering of women and men into different types of work (horizontal segregation) and different levels of work (vertical segregation, sometimes referred to as “the glass ceiling”)
- the economic undervaluation of stereotypically “female” work such as care, retail, admin and cleaning (women account for two-thirds of employees earning less than the living wage in Scotland)
- the disproportionate responsibility of women to undertake unpaid care (70% of unpaid care in Scotland is provided by women)
- questionable recruitment, development and progression practices that instil bias and a lack of transparency
- male-oriented workplace cultures

⁴ <https://www.closesthegap.org.uk/content/resources/The-Gender-Pay-Gap-Manifesto---2021-Scottish-Parliament-elections.pdf>

- discrimination in pay and grading systems.

Furthermore, Close the Gap report that the cost of women’s labour market inequality in Scotland is £17 billion a year⁵ highlighting that new approaches and actions are required to enhance fair work provision across a range of scales and factors. Given that women account for 49% of the labour market and 76% of all part-time workers in Scotland⁶, it is clear that there are significant opportunities for driving forward a fair work agenda that is more inclusive for all workers, regardless of gender.

⁵ *ibid*

⁶ <https://www.closesthegap.org.uk/content/gap-statistics/>

3. Actions to promote fair work

As a major institution in Edinburgh, the Council has at its disposal, a number of levers to promote all five components of the fair work framework.

- As an **employer**, it can ensure that its 18,000+ staff are treated fairly by receiving at a minimum the Real Living Wage and feel secure and respected in their roles.
- As a **purchaser, investor and commissioner of services**, it can enable that procurement and tendering of third parties meet fair work principles.
- As a **supporter of business**, it can advise and guide large corporates and SMEs investing in the city to consider implementing fair work options to their workforces.
- As a **provider of employability and skills support**, it can help people build the skills they need to access good quality jobs, and
- As a **convenor of change**, it can advocate and work with partners to influence and support businesses across the city to make a commitment to fair work, including establishing Edinburgh as a Living Wage City.

These levers should not be viewed in isolation but considered as part of a collection of devices in a wider democratic toolkit that can be utilised to influence and affect positive change in the delivery of fair work in the city. It is, however, helpful to view these through the prism of collaboration and partnership working when applying fair work in action.

Fair Work levers for change



Actions as an employer

The City of Edinburgh Council employs over 18,000+ staff delivering over 700 services to people who live and work in the city. The

Council's People Strategy 2021-2024 and Strategic Workforce Plan 2021-2024 approved by Policy and Sustainability Committee in April 2021 are strong foundations for building Council's commitments to fair work.

Connected to the fair work framework created by the Fair Work Convention, the Council's People Strategy⁷ has been developed with three key strategic themes in mind:

- **Living our behaviours:** To develop a culture of inclusion, respect and belonging.
- **Maximising our capability and performance:** Ensuring we're recruiting and developing colleagues with the skills, experience and behaviours needed to deliver our priorities.
- **Enhancing our colleague experience:** Looking after each other during change, ensuring our colleagues feel part of our organisation and making wellbeing a priority.

This means making sure that Council employees feel that they are empowered in the workplace, respected in who they are and what they do, and have the opportunity to develop and thrive in the work they do. Specific actions to take these commitments forward include:

- Consolidate the Council's commitment to paying Scottish Local Government Living Wage. From 1 April 2021, all staff

employed by the Council earn at least the Scottish Local Government Living Wage in their base pay, which means that 4,400 of employees in grades 1 to 3 receive a pay increase, equivalent to more than £200 extra per year on average for full-time employees.

- Implement our Equality and Diversity Framework to ensure the Council has a workforce where all people feel value, included and able to be their best at work.
- Commit to engaging Trade Unions and workforce to develop proposals on wider reform to pay and terms to better support service design and delivery
- Commit to encourage and support apprenticeships which are paid at least the real Living Wage rate with an incremental pay structure in place following qualification
- Develop options for casual workforce model so that such staff have security of guaranteed hours and income
- Offer employees access to a range of flexible working options on a temporary or permanent basis (where possible in light of individual business needs).
- Deliver a suite of compelling, engaging and informative learning and development opportunities to staff via the refreshed new digital learning platform, *MyLearningHub*.
- Promote pay transparency by continuing to publish a reduction in the gender pay gap and work towards shrinking

⁷ <https://democracy.edinburgh.gov.uk/documents/s33271/Item%207.13%20-%20People%20Strategy%202021-2024%20v2.pdf>

the gap in other areas including age, disability, race, and part-time staff

Actions as a purchaser, investor and commissioner of services

The Council's Sustainable Procurement Strategy has seven key objectives, one of which is improving fair work practices being adopted by suppliers. Other objectives include making procurement spend more accessible to local SMEs/third sector, increasing community benefits delivered by suppliers and contributing to the Council's 2030 net zero carbon target.

In practice, the Council is moving forward with underlining fair work in procurement by:

- agreeing to a minimum weighting of no less than 5% in the evaluation of tenders to influence ethical practices, adopting a higher percentage where appropriate
- updating the Contract Standing Orders in February 2021 to embed these strategic objectives into all Council purchasing activity
- incorporating the Fair Work First Guidance launched by the Scottish Government in January 2021 (and the related procurement policy note SPPN 3/2021) into updated procedures and templates, with training being given to relevant procurement staff and a guidance document issued to assist bidders. Fair Work First was also focused in the second issue of the CPS Supplier Newsletter.



The 2020/21 annual procurement strategy report showed progress against these commitments to date, noting that:

- 79% of Council suppliers confirmed they pay Real Living Wage, up from 70% in 2019/20.
- Community benefits were sought in 50 out of 186 regulated contracts in 2020/21, a 20% increase since 2019/20
- With the impact of Covid, community benefits delivery was reduced during 2020/21, however 23 apprenticeships were

created and community engagement increased during the period.

- Examples of community benefits also included support for PPE and foodbank projects, as well as support for upgrades to WHEC garden and Kirkliston Scout hall.

In addition to these, the Council has well established procurement procedures which are considered fully aligned to the principles and intentions of the **Fair Tax Foundation**. These include seeking written confirmation from bidders in regulated tender exercises that they have complied with their taxation obligations.

The supplier pages on the Council's website contain information on how suppliers can ensure they get paid promptly, which include them ensuring they have appropriately registered with HMRC and submitted a valid VAT invoice. Linked to this, in recent years the Council has taken a number of steps to tighten up its processes to ensure the IR35 regulations are fully complied with, involving staff from Commercial and Procurement Services (CPS), HR and Payroll and Legal Services, with the revised procedures and guidance all being reviewed by Internal Audit.

In August 2018, the Council adopted the **Construction Charter Commitments**⁸, which set out the expectations the Council has for those contractors who undertake construction work on the Council's behalf. The Charter comprises eight separate commitments to promote the adoption of fair work practices

⁸ <https://www.edinburgh.gov.uk/downloads/file/26035/construction-charter>

including HMRC compliance by contractors. CPS provide an annual update to the Finance and Resources Committee on action taken to embed the Charter, and the next update will be submitted to the August meeting of the Committee.

The Council's promotion and embedding of the Charter principles can be demonstrated by a number of recent contract award reports where contractor commitments around the Charter have been specifically highlighted, including high value contracts such as the Housing Capital Works Framework, the Domestic Repair and Maintenance Framework and the Fountainbridge Development Partner contract.

Actions as a supporter of business

The Council's Business Gateway service engages with over 3,000 entrepreneurs each year, to help more businesses flourish in Edinburgh.

Working with our partners, including the universities, enterprise agencies and business groups, such as Edinburgh Chamber of Commerce, Federation of Small Businesses and Social Enterprise Edinburgh, the service provides year-round start-up and growth focused workshops, and 1-2-1 growth and digital business advisors. These are to citizens and provide an opportunity to promote and encourage businesses to adopt fair work practices as a part of their business planning. In doing so, fair work guidance will be provided

alongside current priorities including Covid-19 recovery, digital skills, women in business, growth and digital skills.

These actions include commitments to:

- Promote the ethical and sustainable values and benefits of fair work to companies looking to invest in the city.
- Embed advice and toolkits for fair work and living wage accreditation into Council operated business support services
- Work with employers to enhance knowledge, understanding and provision of adjustments that can be made to recruit and retain candidates from underrepresented groups (e.g. care experienced, disabled, homelessness, young people, ex-offenders, refugees).
- Explore ways to incentivise Edinburgh businesses to adopt fair work practices through use of procurement, licensing, and regulation powers

Actions as a provider of employability and skills support

The Council is committed to expanding the Edinburgh Guarantee to support more citizens into positive destinations, with an enhanced focus on helping those with barriers to employment, such as young people and people with disabilities or from a minority ethnicity, into sustainable employment.

Through this programme, and through all employability and skills projects operated or commissioned through the Council and its

partners, this plan incorporates key commitments to improve access to good jobs, and to engage with employers to promote and encourage fair work practices. Commitments include action to:

- Provide employability and skills support to ensure that people from all backgrounds have the help they need to access good quality jobs in Edinburgh
- Advocate for positive change by encouraging businesses that are already signed up to the Edinburgh Guarantee programme to become local champions that can enlist other companies to get involved.
- Promote employment rights and worker representation in Edinburgh
- Create upskill opportunities for people who live or work in Edinburgh and ensure there is effective provision of apprenticeships, work placements and work experience young people and those seeking a career change or return to work.
- Work with the city's further and higher education institutions and employers to increase accessibility to vocational training programmes particularly in sectors which will flourish in the post-Covid-19 pandemic recovery.

Actions as a convener of change

The Council has a key role to play in bringing together partners across the city to drive change. Within the context of fair work, key actions the Council can lead on include:

- Work with representatives from the private, public and voluntary sectors (including Trade Unions) to achieve accreditation for Edinburgh as a ‘Living Wage City’
- Develop and promote a robust communications and engagement plan to acknowledge, celebrate and champion Living Wage employers in Edinburgh.
- Develop a five-year action plan targeting anchor organisations to double the number of workers in the city earning the minimum of the real Living Wage.
- Collaborate with key partners and stakeholders in the public, private and voluntary sectors, including Trade Unions, to promote all aspects of Fair Work
- Establish a short-term Gig Economy Forum to make recommendations to the Scottish and UK Governments about how best to support workers in this sector
- Advocate for positive change by engaging underrepresented groups to understand the barriers to accessing fair work and develop an outreach approach of mitigation (e.g. care experienced, disabled, homelessness, young people, ex-offenders, refugees).

4. Next steps

This draft action plan is being developed in alignment with consultation and engagement activities underway to support the refresh of the Edinburgh Economy Strategy, and its commitments to ensure Edinburgh makes a strong and fair recovery from the economic effects of pandemic.

Consultation for the strategy takes place between July and October 2021, with a final draft prepared for consideration by the Policy and Sustainability Committee in November 2021.

Following approval of that strategy, a final Fair Work Action Plan will be considered for approval by the Housing, Homelessness, and Fair Work Committee.

A report on progress towards delivery the Fair Work Action Plan will be considered by Committee on an annual basis.

5. Table of actions

Ensure all Council employees can access fair work

Actions as an employer

1. Lead by example as a key Living Wage employer in the city.
2. Increase support for apprenticeships, which are paid at least the real Living Wage rate with an incremental pay structure in place following qualification.
3. Ensure staff have an effective voice and support in the workplace through Trade Union representation, best practice employment policies and the colleague networks who support workers that share a common protected characteristic.
4. Implement our Equality and Diversity Framework and deliver on the commitments in our Diversity & Inclusion Strategy and Plan to ensure the Council has a workforce where all people feel value, included and able to be their best at work
5. Develop and establish a workers' association to provide representation and a forum for workers on casual contracts to inform Council policy in the delivery of a fair work experience.
6. Further support the conversion of fixed-term and temporary agency workers to permanent employment contracts, where appropriate and possible within service areas.
7. Ensure colleagues are aware of flexible working options to support inclusivity, work/life balance and wellbeing.
8. Further develop compelling, engaging and informative learning and development opportunities to staff via the refreshed new digital learning platform, *MyLearningHub*.
9. Promote pay transparency by publishing pay gap reports and work towards closing gaps.

Use the Council's spending power to promote fair work

Actions as a commissioner and procurer of goods and services

1. Increase training and awareness of fair work for Council staff and bidding organisations. Demonstrate the benefits of fair work to supply chains contractors including promoting the Real Living Wage and opportunities for training and development.
2. Undertake a review of the Council's Sustainable Procurement Policy, that will build on and complement work already undertaken across the Council to promote fair work and the Real Living Wage through existing policies and strategies, and include an objective of increasing the number of Council suppliers who pay the Real Living Wage and are accredited.
3. Apply Fair Work First guidance to every new regulated tender, ensuring that businesses bidding for Council contracts are committed to the Fair Work First criteria, including providing fair pay.
4. Gather and interrogate available data from the last two financial years on tenderers to regulated Council contracts who are not currently Real Living Wage accredited employers to better understand the Living Wage landscape by sector and use this information to target future increases in accreditation.
5. Increase community benefits delivered by suppliers, including employment and training opportunities to support people into fair work.
6. Promote the Council's Construction Charter commitments, to promote the adoption of fair work practices among contractors undertaking construction work on the Council's behalf.

Support and advise Edinburgh businesses on how to adopt and implement fair work practices

Actions as a provider of support services to business

1. Promote the ethical and sustainable values and benefits of fair work to companies looking to invest in the city.
2. Embed advice and toolkits for fair work and living wage accreditation into Council operated business support services.
3. Work with employers to enhance knowledge, understanding and provision of adjustments that can be made to recruit and retain candidates from underrepresented groups (e.g. care experienced, disabled, homelessness, young people, ex-offenders, refugees).
4. Explore ways to incentivise Edinburgh businesses to adopt fair work practices through use of procurement, licensing, and regulation powers

Support Edinburgh citizens to access and maintain fair work opportunities

Actions as a provider of employability and skills support

1. Provide employability and skills support to ensure that people from all backgrounds have the help they need to access good quality jobs in Edinburgh
2. Advocate for positive change by encouraging businesses that are already signed up to the Edinburgh Guarantee programme to become local champions that can enlist other companies to get involved.
3. Promote employment rights and worker representation in Edinburgh
4. Create upskill opportunities for people who live or work in Edinburgh and ensure there is effective provision of apprenticeships, work placements and work experience young people and those seeking a career change or return to work.
5. Work with the city's further and higher education institutions and employers to increase accessibility to vocational training programmes particularly in sectors which will flourish in the post-Covid-19 pandemic recovery.

Work with businesses and anchor institutions to promote Edinburgh as a Fair Work City

Actions as a convener of change

1. Work with representatives from the private, public and voluntary sectors (including Trade Unions) to achieve accreditation for Edinburgh as a 'Living Wage City' and to promote all aspects of Fair Work as described in this plan

2. Develop and promote a robust communications and engagement plan to acknowledge, celebrate and champion Living Wage employers in Edinburgh.
3. Develop a five-year action plan targeting anchor organisations to double the number of workers in the city earning the minimum of the real Living Wage.
4. Establish a short-term Gig Economy Forum to explore actions that could improve working conditions, rights and quality of employment for workers in this sector and make recommendations to the Scottish and UK Governments.
5. Advocate for positive change by engaging underrepresented groups to understand the barriers to accessing fair work and develop an outreach approach of mitigation (e.g. care experienced, disabled, homelessness, young people, ex-offenders, refugees).

Edinburgh Living Wage City – Draft Action Plan

September 2021

Contents

Executive Summary.....	2
1. Introduction	3
2. Setting the context	6
3. Targets	11
4. Edinburgh Living Wage City Action Plan.....	12

Executive Summary

In September 2020 the Edinburgh Poverty Commission called on employers and institutions across the city to come together and radically increase the number of Real Living Wage accredited businesses in the city. This action was needed, it said, in order to reduce the number of people in the city for whom work is not enough to keep their families out of poverty.

Building on existing commitments by the City of Edinburgh Council and other partners, this plan is a key step towards delivering on that challenge. It has been developed by the **Edinburgh Living Wage Action Group**, a collaboration of employers, public sector bodies, trade unions, social enterprises, and business organisations, all committed to the promotion of fair work.

The group aims to:

- Encourage more Edinburgh employers to become Real Living Wage accredited businesses,
- Reduce the number of Edinburgh workers earning below the living wage, and increase the number who experience fair work, and
- Make a critical contribution to the city's goal to End Poverty by 2030.

The context

Low pay in Edinburgh is real and widespread. Some 37,000 workers in Edinburgh earn less than the Real Living Wage of £9.50 per hour and 27% of Edinburgh workers are in jobs that do not provide 'satisfactory' pay, contracts, or hours. Such low paid and insecure work is a key driver of poverty in the city. Even pre-pandemic, data showed that 65% of all people in poverty in Edinburgh were in working households.

Edinburgh remains a city where work is not always the secure pathway it needs to be. This plan recognises that meaningful actions are needed to ensure that jobs in Edinburgh pay enough for families to live on.

At the same, the city is at an early and uncertain stage in its economic recovery from pandemic. Edinburgh businesses in 2021 carry an estimated

£0.5bn of additional debt as a result of Covid, 36% are worried about how they will make debt repayments, and 53% are worried about trading conditions in the city.

This context makes it a challenging time for many businesses to commit to taking on additional costs in the form of higher wages. As such, this plan will make sure that any action to encourage or promote Living Wage Accreditation among employers in Edinburgh is carried out with full understanding of the pressures businesses face, and rooted in real engagement with employers from key target sectors.

The plan

With this context in mind, this plan sets out the tasks the Edinburgh Living Wage Action Group will take over the next five years. It includes actions designed to:

- **Learn**, research and further understand the Living Wage landscape in Edinburgh, and the support needed to encourage growth in take up.
- **Promote and encourage** real Living Wage accreditation in the city, towards delivering a radical increase in the number of Living Wage employers in Edinburgh, and
- **Celebrate** those employers who commit to the Living Wage, and the city's successes building a the real Living Wage movement.

The targets

Through the actions in this plan, over the next five years the group aim to:

- Support an additional 500 Edinburgh businesses to become living wage accredited employers
- Bring some 40,000 employees up to the real living wage minimum standard, and
- Ensure that growth in Real Living Wage take up is focused on those sectors where low pay and insecure work in the city is most prevalent.

1. Introduction

This report provides an action plan to support Edinburgh’s commitment to become a Living Wage City.

The plan has been developed by the **Edinburgh Living Wage City Action Group** and has the full support of key city anchor institutions including the **City of Edinburgh Council** and the **Edinburgh Partnership**.

The commitment to becoming a Living Wage City arises from the calls to action made by the **Edinburgh Poverty Commission**, and its conclusion that:

“Edinburgh has a thriving local economy with high rates of employment and high average pay, but even here work is not always the secure pathway out of poverty that it needs to be.

We call on Edinburgh’s employers, Trades Unions, social enterprises, and public sector bodies to come together in a new alliance to make Edinburgh a Living Wage City in 2021”

In response to this call to action, the City of Edinburgh Council Business Plan, published in February 2021, built on existing pledges to promote fair work in the city by committing the Council *“to achieve accreditation for Edinburgh as a living wage city and promote the use of living wage and fair work practices throughout the city economy”*.

In taking forward this commitment, the plan forms part of a number of actions connecting the city’s End Poverty Edinburgh Delivery Plan, Edinburgh Economy Strategy, and Local Outcome Improvement Plan with ongoing work on youth employability and the Edinburgh Guarantee all of which share core objectives to promote fair work as part of a route to **End Poverty in Edinburgh by 2030**.



The Real Living Wage and Living Wage Places

The Real Living Wage is an independently calculated rate based on the cost of living and is paid voluntarily by employers. For 2021 The rate is currently £9.50 and is calculated each year in November by The Resolution Foundation on an analysis of the wage that employees need to earn in order to afford the basket of ‘goods’ required for a decent standard of living. This basket of goods includes housing, childcare, transport and heating costs.

This rate is significantly higher than the statutory minimum and living wage rates set by the UK Government. Adults working for employers who pay a minimum of the Real Living Wage receive at least 6.6% more per hour than the equivalent worker receiving the statutory minimum.

	The UK Minimum Wage <i>Government set minimum wage for under 23 year olds</i>	The National Living Wage <i>Government set minimum wage for over 23 year olds</i>	The Real Living Wage <i>The only wage rate based on what people need to get by.</i>
What is it? (per hour)	Ranges from £8.36 for 21-22 year olds to £4.30 for Apprentices	£8.91 for over 23 year olds	£9.50 for anyone over 18 years old
Is it the Law?	Yes, this is a statutory minimum.	Yes, this is a statutory minimum.	No, this is a voluntary standard.
How is it set?	A negotiated settlement between Government, Trade Unions and employers.	A % of median earnings, aiming to reach 66% of median earnings by 2024.	An annual calculation based on the cost of living in the UK.

Living Wage Scotland was launched in April 2014 with the aim of increasing the number of employers in Scotland who are recognised for paying their staff the Real Living Wage. Established by The Poverty Alliance, Living Wage Scotland works in partnership with the Living Wage Foundation and is funded

by the Scottish Government. Businesses which commit to paying the Real Living Wage to all their staff, and who have a plan to pay living wage to all contractors can become an **accredited Living Wage Employer** as part of the scheme administered by Living Wage Scotland.

In the past five years, the campaign has seen local authorities, health boards and private sector companies across all sectors and industries commit to paying their staff a decent wage. During 2021 Living Wage Scotland celebrated reaching the milestone of 2,000 living wage accredited employers in Scotland, meaning over 45,600 workers every year receive a pay rise that genuinely reflects increases in the cost of living.

Making Living Wage Places

As part of its campaign work, the Living Wage Foundation established a new scheme to formally recognise place-based approaches to promoting Living Wage accreditation: **Making Living Wage Places**.

The Making Living Wage Places programme seeks to recognise the places that are leading the way on the real Living Wage. It is designed as an opportunity to encourage collaboration between key local institutions and harness place identity as a motivator for more employers to join the Living Wage movement.

The scheme builds on findings of research conducted by the Smith Institute which analysed the ripple effects, on wages, productivity, and local spending, that occur when clusters of employers in a city region commit to paying the real living wage.

In recent years, towns and cities such as Dundee, Glenrothes, Cardiff, Salford and others have established themselves as Living Wage Places, with the aim of making local actions to encourage such ripple effects. Evidence to date points to the effectiveness of these approaches in significantly increasing the number of local employers committed to paying at least a Real Living Wage to all their workers.

Edinburgh Living Wage City Action Group

The Edinburgh Living Wage City Action Group is a collaboration of Edinburgh based employers working together to:

- Achieve and maintain accreditation for Edinburgh as a ‘Living Wage City’ as a part of the Making Living Wage Places scheme.
- Agree and help implement a local action plan designed to:
 - **Research** and understand the living wage landscape in Edinburgh, and the support/actions needed to encourage growth in take up
 - **Celebrate** employers working together locally to promote the real Living Wage and accreditation take up
 - Design and deliver events and actions to **encourage** and support more Edinburgh businesses to become living wage employers, particularly in key target sectors
 - **Promote** and encourage adoption of ‘Fair Work’ business practices in all sectors and types of business in Edinburgh

In doing so, the group aims to:

- reduce the number of Edinburgh workers earning below the living wage
- increase the number who benefit from ‘Fair work’, and
- make a critical contribution to the city’s goal to End Poverty by 2030

Terms of reference note that:

- the group is comprised of 10-12 members appointed by invitation of the chair(s)
- all members are Edinburgh based and either current Living Wage Accredited employers, or actively seeking Living Wage accreditation at the point of joining the group

- membership should be representative of key employment sectors in the city, and key sectors for targeting increases in living wage accreditation
- the group will meet at least quarterly in formal session, with further meetings arranged as required to meet agreed actions
- Secretariat support will be provided by City of Edinburgh Council, Policy and Insight team.

The group will be led by two co-chairs including:

- **A City of Edinburgh Council co-chair** – this position will be held by the Convener of the Council’s Housing, Homelessness, and Fair Work Committee, and
- **A Business leader co-chair** - this position is currently open and to be confirmed in consultation with the group.

Membership

At the time of drafting this plan, the group comprises ten members covering key sectors including:

- Local Authority
- Anchor institutions such as Universities and Chambers of Commerce
- Financial Services
- Tourism and visitor economy
- Hospitality and culture
- Independent retail
- Trades Unions
- Community and third sector

In future development, the group has committed to continued review of membership with new members invited to join to address any identified gaps or priority programmes. In particular, the group has identified an intention to seek members or support from key target areas including the Hospitality, Construction, and Care sectors.

Name	Position	Organisation	LW status
Clr Kate Campbell (co-chair)	Convener, Housing Homelessness and Fair Work Committee	City of Edinburgh Council	Accredited
Helene van der Ploeg	Business Manager	Space & Broomhouse Hub	Accredited
Joanne Davidson	Director of Policy	Edinburgh Chamber of Commerce	Accredited
Meredith Adams	Sustainability Manager - Social Impact	ABRDN	Accredited
Dougie Cameron	Chief Operating Officer	Centre of the Moving Image	Accredited
Michael Apter	Managing Director	Paper Tiger	Accredited
Louise Kidd	HR Partner Reward	University of Edinburgh	Accredited
Sandy MacDonald	Director, Public Policy and Communications	Scottish Financial Enterprise	Accredited
Kat Brogan	Managing Director	Mercat Tours	Accredited
Mary Alexander	Deputy Regional Secretary	Unite the Union	Pursuing Accreditation

Geographical Focus

The work of the group is to focus on influencing employers within Edinburgh City, as defined by local authority boundaries.

In doing so, the group recognises that the city operates within a wider regional economic geography and that partners across the city region are committed to actions designed to promote fair work and living wage accreditation. As such, a priority of the group will be to engage and build links with regional partners to build knowledge, share best practice and maximise available opportunities to build the living wage movement across the region.

2. Setting the context

City of Edinburgh Profile



Key facts:

- Average hourly pay in Edinburgh in 2020 £17.49
- But some 37,000 workers earned less than the real Living Wage of £9.50 per hour
- Largest sectors in the city include:
 - Professional and admin services – 60,000 jobs
 - Health and care – 51,000 jobs
 - Hospitality and catering – 33,000 jobs
 - Finance and insurance – 33,000 jobs
 - Education – 33,000 jobs
 - Retail – 27,000 jobs
 - Public sector – 19,000 jobs
 - Arts and Culture – 18,000 jobs

The recovery from pandemic represents the biggest challenge Edinburgh's economy has faced for a generation. The city remains the most successful economy in Scotland, but over the next decade the extent to which the city can thrive will depend upon the building of a fair and sustainable recovery from the economic storm brought over the past two years.

Evidence tells us that over the next few years:

- **Real recovery will be slow...** While recent upturns in activity are welcome, projections show that it may be 2026 before Scotland's economy recovers all the output lost during the pandemic.
- **...with a continuing risk of insolvency for many Edinburgh businesses...** The experience of pandemic for many businesses has involved an increase in debt burdens. Analysis by the Federation of Small Businesses show that Edinburgh firms now carry £0.5bn of additional debt as a result of Covid. 36% of firms are worried about how they are going to make debt repayments.
- **...particularly in key sectors such as Retail, Hospitality and Tourism...** Visitors to Edinburgh fell significantly during 2020 severely impacting on sectors such as retail, hospitality and tourism - hotel occupancy rates in the city were down by over 80% at times during 2020. While relaxation of covid measures has benefitted these sectors recently, latest data suggests that spend in the city centre is still at least 20% below its pre-pandemic level.
- **Unemployment has risen, but will be slow to fall...** By Spring 2021 over 18,000 people in Edinburgh were claiming unemployment related benefits, more than three times the level recorded pre-pandemic. The lesson from previous recessions is that unemployment rates are slower to return to normal than other economic indicators, and it may be several years before the labour market returns to the conditions that held pre-pandemic.
- **Inequality is on the increase...** Edinburgh has long been marked by deep inequalities, with the gap between rich and poor larger in this city than anywhere else in Scotland. The impact of pandemic has been to widen these gaps.

- **...with people on low pay jobs most likely to have lost income...** While a substantial proportion of Edinburgh's economy has been able to transition and continue operating through working at home during lockdowns, those in the lowest wage sectors have been most impacted by lost hours, redundancy, or by having to continue to work in difficult conditions
- **...meaning women, young people, people with disabilities, those with caring responsibilities, are all likely to be hardest hit.** These are the groups most likely to work in sectors most affected by pandemic effects. Data shows, for instance, that job numbers among people under 24 are falling twice as fast as the workforce as a whole in Edinburgh.

"The wages of average jobs do not keep up with the cost of living...This means working becomes only a means to survival and not prospering."

Edinburgh Poverty Commission contributor

These challenges act to exacerbate the pre-pandemic challenges Edinburgh's economy faced with regard to fair work and poverty. Evidence gathered by the Edinburgh Poverty Commission showed, for instance, that:

- Pre Covid the majority (65%) of people in poverty in Edinburgh were in working households
- Around one in ten (9%) of all jobs were casual, temporary or non-contract.
- In a survey of citizens 'work does not pay enough' was the single factor most commonly raised as a cause of poverty in Edinburgh – cited by 83% of all respondents.
- 27% of Edinburgh jobs do not provide workers with 'satisfactory' pay, contracts, or hours, and
- Approximately 37,000 Edinburgh workers are paid less than £9.50 ph, the current threshold set by the Living Wage Foundation.

Who is affected by low pay in Edinburgh?

Relatively little firm data is available on the 37,000 people in Edinburgh who work below living wage levels, but much information can be derived from analysis on Scottish datasets and research.

New research published by the Living Wage Foundation, for instance, shows that 11% of workers across Scotland as a whole are affected by low paid, insecure work. Overall, the research shows that:

- 13% of BAME workers are affected by low paid insecure work, as are
- 17% of workers under 25 and 15% of disable workers
- 'Worst' performing nationwide sectors with high employment base in Edinburgh include:
 - Wholesale and Retail – 14% of workers
 - Health and social work – 10% of workers
 - Construction – 19% of workers
 - Hospitality and catering – 22% of workers
 - Arts and culture – 22% of workers
 - Admin and support services – 19% of workers

A July 2021 report by Skills Development Scotland highlights that low pay sectors are likely to be major sources of jobs growth in the Edinburgh and South East Scotland City Region in the near future.

Over 60,500 new job openings are expected to be created by employers in Retail, Health, Construction, Hospitality, Arts, and Admin services in the region during 2021-24.

These account for 65% of the total forecast jobs requirement of the whole regional economy.

Further analysis shows that workers who are low paid are also likely to be affected by other aspects of insecure work with:

- 12% receiving less than 24 hours notice for changes to working hours

- 90% get shifts cancelled without full pay, and 42% have experienced unexpected cancellation of shifts
- 35% said short notice periods for shifts had a negative impact on their household finances
- 23-25% said they had had to pay higher transport or childcare costs due to short notice periods for shifts or work schedules.

Overall the connection between these findings and increased poverty is clear. 66% of working adults living in poverty are low paid. In addition to the characteristics cited above, such adults are more likely than average to be women and more likely not to have educational or professional qualifications.

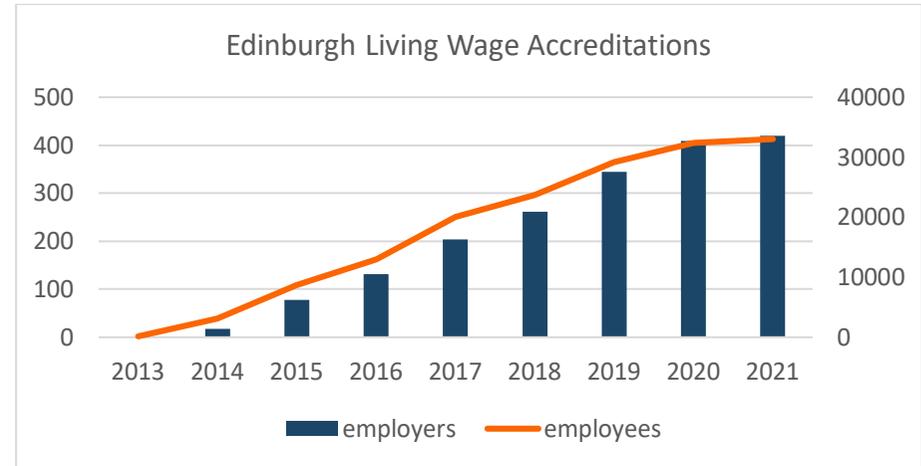
Living Wage Accreditations in Edinburgh

Latest data shows that over 420 businesses in Edinburgh are accredited Living Wage employers. Excluding very large employers (such as City of Edinburgh Council and University of Edinburgh) these businesses employ an estimated 33,000 jobs in the city, or an average of 79 jobs per accredited business.

In recent years the growth of living wage accreditation in the city has been notable, expanding by an average of 65 new accreditations per annum, or some 4,800 additional covered employees.

Overall, Living Wage accredited businesses account for some 2% of the total business base (20,715 enterprises), but over 10% of total employees in the city.

420 Living Wage Accredited Businesses in Edinburgh	2% of all employers
More than 33,000 people work for Living Wage Employers in Edinburgh	10% of all employees



Analysis by sector shows that living wage accreditation take up is highest among charitable sector, financial sector, public sector and other service sector businesses. These four sectors account for almost 60% of all accredited businesses.

By contrast, take up rates are lower in many of the sectors which have been identified as high employers in the city, as well as those which are identified as accounting for high numbers of low paid workers.

For instance:

- Only 23 Wholesale and Retail businesses in the city are accredited, representing only 1% of the 2,425 such employers in Edinburgh
- Only 22 Catering and hospitality businesses are accredited, representing only 1% of the 1,840 such employers in Edinburgh
- Only 19 Health and Care businesses are accredited, despite the sector being one of the largest employers in the city, and
- Only 19 Construction businesses are accredited, representing only 1% of the 1,615 such employers in Edinburgh
- Only 19 Health and care businesses are accredited, representing 1.8%



Further analysis of accredited businesses in the city identify other areas where improvements may be targeted. For instance:

- Although public sector and charitable sector accreditations are high, there remain significant numbers of notable national and local institutions based in the city which are not currently accredited
- Although accreditation rates in the financial sector are high, there remain significant globally recognised employers based in the city which are not currently accredited
- Not all of the city's major higher and further education institutions are currently accredited

In addition to these, Edinburgh's capital city status offers opportunities to expand the living wage movement into new and influential areas of civic society. Edinburgh is home to sporting, cultural, religious and other institutions with significant influence beyond the boundaries of the city.

As with other sectors, analysis of living wage take up highlights notable target organisations for the Action Group to engage with and promote the benefits and impacts of accreditation.

Conclusions

Taken together, these findings suggest that:

- Edinburgh's economy remains at a fragile point in its recovery from pandemic.
- The combination of additional debt and slow recovery in turnover make it a challenging time for any businesses to consider committing to taking on additional costs in the form of higher wages.
- Any action to encourage or promote Living Wage Accreditation among employers in Edinburgh needs to be carried out with full understanding of the pressures businesses face, and to be rooted in real engagement with employers from key target sectors.
- At the same time, the city's commitment to eradicating poverty can only be achieved by improving working conditions and moving the city's population of 37,000 low paid workers into real living wage employment
- This will require at least 470 new Living Wage Accredited employers in the city, and
- These new accreditations need to include significant increases in targeted key sectors including Retail, Hospitality, Construction, and Health and Care.

On current trends it would take over 7 years to reach that number of new accreditations, with no guarantee that the level of take up would sufficiently penetrate into the sectors needed for a real improvement in the experience of the lowest paid workers. This suggests that additional, focused activity is needed in the city to promote, engage, and celebrate the living wage movement.

As well as targeted key sectors, however, data also suggests that a strong strategic approach should focus on influencing accreditation and take up in the large number of major employers and nationally important public,

private and third sector institutions in the city which are not yet accredited living wage employers. While most of these employers are likely to be paying above living wage for most of their staff already, significant impacts can be made by such employers committing to accreditation, through:

- Improving and expanding living wage accreditation throughout their supply chains, and
- Providing a strong market signal to all employers and workers that Edinburgh is a city where all workers can expect to be paid at least a real living wage.

The analysis also highlights a number of areas where information available to date is limited and where more learning and research is required. More work is needed, for instance, to better understand:

- What barriers there are to accreditation among employers in the key sectors highlighted?
- What incentives or support would be most effective in encouraging employers to pursue accreditation?
- What are the most persuasive arguments for businesses considering a commitment to accreditation?
- What examples can we show of the business benefits of accreditation in practice in Edinburgh?
- What evidence can we gather on the impact of living wage accreditation and fair work for workers experiencing poverty in Edinburgh?
- How can we better understand the Gig Economy in Edinburgh, and what actions can we take to support workers in these sectors?
- How can we better understand underrepresented groups with barriers to accessing fair work and living wage jobs (e.g. care experienced, disabled, homelessness, young people, ex-offenders, refugees)?

3. Targets

The Edinburgh Poverty Commission set a challenge to End Poverty in the city by 2030. As a key part of this, the commission challenged the city to take 37,000 workers out of low pay, and into secure jobs which pay a minimum of a real living wage.

The analysis above, and this challenge, suggests a number of targets for the Edinburgh Living Wage Action Group to work towards. They suggest that over a five year period, the group should aim to:

- Support an additional 500 Edinburgh businesses over the next five years to become living wage accredited employers
- Assuming an average of 79 employees per accredited business, this provides a target of 40,000 new employees supported by living wage policies
- This implies an overall target of at least 900 living wage accredited businesses in Edinburgh by 2026, or 4% of the current business base.
- This would represent an additional 200 accreditations (or 40 per year) above the recent recorded annual rate of growth.
- This should include targets to ensure that
 - All Edinburgh Partnership Board members are accredited (including NHS Lothian)
 - All Edinburgh Higher and Further Education Institutions are accredited
 - All public sector institutions located in the city are accredited
 - A key target list of other major employers and institutions is agreed by the action group
- In addition to these, targets should aim to ensure at least a double of take up rates in specific key sectors. This includes ensuring an increase in accreditation rates from 1% to 4% in the following sectors such that:
 - An additional 75 accreditations in the Wholesale and Retail sector

- An additional 50 accreditations in the Hospitality and Catering sector, and
- An additional 50 accreditations in the Construction sector, and
- An additional 20 accreditations in the Health and Social Care sector.

All these targets, it is proposed are profiled over five years on a straight line basis, with the recognition that rates of progress will vary around this trend over time.

These targets should be reviewed by the Action Group on an annual basis in light of progress and new challenges.

	2021	2022	2023	2024	2025	2026	Total
All Sectors							
New accreditations per annum		100	100	100	100	100	500
New employees covered by accreditations		7,900	7,900	7,900	7,900	7,900	39,500
Total Accreditations	419	519	619	719	819	919	
Target sectors							
New Retail/Wholesale accreditations		15	15	15	15	15	75
New Hospitality/Catering accreditations		10	10	10	10	10	50
New Construction accreditations		10	10	10	10	10	50
New Health and Social Care accreditations		4	4	4	4	4	20

4. Edinburgh Living Wage City Action Plan

This section sets out key actions for partners to commit to towards meeting the targets outlined above.

Progress against these actions will be reviewed on a quarterly basis by the Action Group, with revisions and additions agreed at least annually.

Edinburgh Living Wage City Action Plan 2021-26					
1 Demonstrate Leadership		Lead Partner/Group	Yr 1	Yr 2	Yr 3-5
1.1	Identify a business co-chair to provide credible leadership and influence across the business community	Edinburgh LW City Action Group	✓		
1.2	Maintain members' commitment to living wage accreditation and the living wage movement	Edinburgh LW City Action Group	✓	✓	✓
1.3	Further encourage accreditation through supply chains of member organisations	Edinburgh LW City Action Group	✓	✓	✓
1.4	Promote the real Living Wage on member Websites	Edinburgh LW City Action Group	✓	✓	✓
1.5	Recruit major accredited companies to Edinburgh LW City Action Group where capacity is required	Edinburgh LW City Action Group	✓	✓	✓
1.6	Review resourcing requirements and seek opportunities for funding to promote living wage city action plan delivery	Edinburgh LW City Action Group	✓		
1.7	Present Living Wage Action Plan to the Edinburgh Partnership Board to seek the commitment of all members to the plan and encourage all members (including NHS Lothian) to become Living Wage Employers.	Edinburgh LW City Action Group	✓		
1.8	Agree a refreshed Edinburgh Economy Strategy that puts fair work at the core of the city's economic recovery from pandemic	City of Edinburgh Council	✓		
1.9	Agree a new City of Edinburgh Council Fair Work Action Plan to set out and drive council actions to promote fair work among employees and businesses in Edinburgh	City of Edinburgh Council	✓		
1.10	Identify and agree individual group members to lead on specific appropriate actions in this plan	Edinburgh LW City Action Group	✓		
2 Learn		Lead Partner/Group	Yr 1	Yr 2	Yr 3-5
2.1	Arrange meetings with senior members of key target sectors to capture insight into sector and opportunities for influence and engagement <ul style="list-style-type: none"> Retail, Hospitality and catering, Construction, Care 	Edinburgh LW City Action Group	✓	✓	

2.2	Hold target sector focused events with businesses to understand barriers to take up and what incentives or support would be most effective in encouraging employers to pursue accreditation	Edinburgh LW City Action Group	✓	✓	
2.3	Hold a series of discussion sessions with End Poverty Edinburgh to explore and articulate the importance of fair work on people living in poverty	Edinburgh LW City Action Group	✓	✓	✓
2.4	Hold workshops with sample employees from member organisations to explore the experience of workers in living wage organisations	Edinburgh LW City Action Group	✓	✓	✓
2.5	Establish a short-term Gig Economy Forum to understand the real experiences of, and to explore actions that could improve working conditions, rights and quality of employment for workers in the gig economy	City of Edinburgh Council	✓		
2.6	Engage with underrepresented groups to understand the barriers to accessing fair work and develop an outreach approach of mitigation (e.g. care experienced, disabled, homelessness, young people, ex-offenders, refugees).	City of Edinburgh Council	✓	✓	
2.7	Hold workshops with existing living wage employers in Edinburgh to understand and gather case studies on the business benefits of fair work and living wage accreditation	Edinburgh LW City Action Group	✓	✓	✓
2.8	Explore the potential for use or development of existing schemes (including Fair Fringe Charter, Construction Charter, Living Hours campaign and others) to promote living wage take up and wider fair work goals	Edinburgh LW City Action Group	✓	✓	
2.9	Engage with national funding bodies to explore ways of embedding living wage and fair work goals within funding agreements for key target sectors	Edinburgh LW City Action Group	✓	✓	
2.10	Engage and work with action groups from other UK Living Wage Places to learn from experiences and identify best practice for implementation in Edinburgh	Edinburgh LW City Action Group	✓	✓	
3	Promote	Lead Partner/Group	Yr 1	Yr 2	Yr 3-5
3.1	Launch Edinburgh's accreditation as Living Wage City in LW Week November 2021	Edinburgh LW City Action Group	✓		
3.2	Develop and deliver a Communications Strategy to maximise awareness and understanding of the Real Living Wage and this action plan	Edinburgh LW City Action Group	✓	✓	✓
3.3	Develop and launch a project website and social media presence	Edinburgh LW City Action Group	✓		
3.4	Promote Living Wage at annual business events, business breakfasts (or others)	Edinburgh Chamber of Commerce	✓	✓	✓
3.5	Promote the value of LW accreditation to employers and use research data to support such benefits e.g. increased productivity, lower staff turnover etc.	Edinburgh LW City Action Group	✓	✓	✓
3.6	Assist local applications for UK Living Wage Awards	Edinburgh LW City Action Group	✓	✓	✓
3.7	Hold sector focused events to raise profile and interest with contributions from advocates/role models from their sector	Edinburgh LW City Action Group	✓	✓	✓

3.8	Arrange introductory meetings with priority target organisations identified by the Action Group	Edinburgh LW City Action Group	✓	✓	
3.9	Arrange an ongoing programme of media content highlighting current LW employers in partnership with City of Edinburgh Council Communications Team	Edinburgh LW City Action Group	✓	✓	✓
4	Celebrate	Lead Partner/Group	Yr 1	Yr 2	Yr 3-5
4.1	Invite all accredited companies to annual LW week celebration & hold bespoke event	Edinburgh LW City Action Group	✓	✓	✓
4.2	Prepare and publish a suite of case studies of local accredited employers and employees	Edinburgh LW City Action Group	✓	✓	✓
4.3	Organise an annual Fair Work event to celebrate all Edinburgh's Fair Work Employers	Edinburgh LW City Action Group	✓	✓	✓
4.4	Arrange for the co-chairs of the Action Group to write in welcome to each new accreditation and support with press release	Edinburgh LW City Action Group	✓	✓	✓
4.5	Work with local news media to celebrate key milestones achieved towards the action plan's five year target	Edinburgh LW City Action Group	✓	✓	✓
5	Monitor	Lead Partner/Group	Yr 1	Yr 2	Yr 3
5.1	Nominate LW City lead implementation officer	Edinburgh LW City Action Group	✓		
5.2	Publish annual public report in living wage week each year showing progress towards delivery of action plan	Edinburgh LW City Action Group	✓	✓	✓
5.3	Report on impact of procurement, community benefits and LW commitments to relevant City of Edinburgh Council Committees	City of Edinburgh Council	✓	✓	✓