

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 01 December 2022

Living Hours City – Response to a motion from Councillor Campbell

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Housing, Homelessness and Fair Work Committee:
 - 1.1.1 Congratulates the Edinburgh Living Wage Action Group on winning the ‘Outstanding Leadership’ award at this year’s Scottish Living Wage Awards
 - 1.1.2 Notes that the Edinburgh Living Wage Action Group will discuss and agree its plans for action during 2023 at its next meeting, and that these discussions will include potential actions to promote the living hours movement, and engage further with Edinburgh Festivals organisations
 - 1.1.3 Notes that for the Council to consider adoption of the Living Hours standard, a significant programme of policy research would be required to assess the risks, costs, and potential benefits for Council services and workers
 - 1.1.4 Notes that commitment to such a programme at this time would adversely affect the Council’s ability to meet existing policy development commitments relating to poverty and fair work.

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Living Hours City – Response to a motion from Councillor Campbell

2. Executive Summary

- 2.1 This report responds to a motion proposed by Councillor Campbell at the City of Council meeting of 30 June 2022.
- 2.2 The report notes that during its first year of operation the Edinburgh Living Wage Action Group the city has seen 120 Edinburgh employers commit to paying the real living wage, providing 1,400 workers with a direct pay rise. Following this success, the group was awarded recognition for ‘Outstanding Leadership’ at the 2022 Scottish Living Wage Awards.
- 2.3 With regard to the Living Hours movement, the report further notes that 17 organisations are officially recognised as ‘Living Hours’ employers in Scotland, 2 of which are based in Edinburgh and members of the Edinburgh Living Wage Action Group. No local authorities are currently recognised as Living Hours employers.
- 2.4 The Council has been a Living Wage employer since 2016 and is committed to providing fair work for its employees. Before the Council to consider accreditation as a Living Hours employer, the report identifies three key questions to be addressed in detail – impacts on staff affected, impacts of service deliverability, and impacts on council budgets.
- 2.5 The report notes that addressing these questions would represent a significant policy research programme, commitment to which would impact on officers’ ability to deliver existing policy programmes such as the living wage action plan, the gig economy action plan, and aspects of the Council’s End Poverty Delivery Plan.
- 2.6 While supportive of Living Hours principles, given current commitments and capacity pressures the report does not recommend that further policy research is undertaken on these questions at this time. The report does recommend that further discussions take place with Living Wage Scotland on ways in which the Council and the Edinburgh Living Wage Action Group can support the progress of the Living Hours movement.

3. Background

- 3.1 This report responds to a motion proposed by Councillor Campbell at the City of Edinburgh Council meeting of 30 June 2022 regarding living hours city and the Edinburgh Living Wage City Action Group.
- 3.2 The motion agreed that Council:
- 3.2.1 "Recognises the fantastic work of the Living Wage Action Group, and the positive news that the city has doubled the number of businesses signing up to become accredited, reaching record numbers of accreditations since becoming a Living Wage City. Recognises too the importance of fair wages and fair work in helping residents deal with the cost of living crisis.
 - 3.2.2 Further notes that the Living Hours movement is becoming increasingly recognised as crucial to tackling poverty, and that there is a disproportionately high number of workers in precarious work in the lowest paid sectors such as retail, hospitality and health and social care, sectors which represent a significant number of jobs in Edinburgh.
 - 3.2.3 Also notes that workers in Fringe venues are vulnerable to precarious conditions and unfair work practices as highlighted by the Fair Fringe group.
 - 3.2.4 Agrees that ensuring workers have at least four weeks notice of shifts, a guaranteed minimum of 16 hours and a contract that accurately reflects the hours should be the aim of every Local Authority.
 - 3.2.5 Agrees in principle that Edinburgh should become Living Hours City, and instructs the Housing, Homelessness and Fair Work Convener to take forward discussions with the Living Wage Action Group and Living Wage Scotland on how to make this happen.
 - 3.2.6 Further agrees to include a strand of work in the Living Wage Action Plan to identify how best to include Edinburgh's festivals in the Living Wage City
 - 3.2.7 Agrees the Housing, Homelessness and Fair Work Committee will receive a report in two cycles setting out progress on this and including any barriers the Council would face in becoming a Living Hours employer, and how these can be overcome."

4. Main report

Making Edinburgh a Living Wage City

- 4.1 The Edinburgh Living Wage Action Group was launched in November 2021. Chaired by the Convener of the Council's Housing Homelessness and Fair Work Committee, the group is a partnership of 11 member organisations including private sector businesses (large corporate and SME), Edinburgh Chamber of Commerce, University of Edinburgh, Scottish Financial Enterprise, Unite the Union, as well as third sector organisations.
- 4.2 The group aims to:

- 4.2.1 Encourage more Edinburgh employers to become Real Living Wage accredited businesses (with an annual target of 100 new accreditations)
- 4.2.2 Reduce the number of Edinburgh workers earning below the living wage, and increase the number who experience fair work, and
- 4.2.3 Make a critical contribution to the city's goal to End Poverty by 2030.
- 4.3 In November 2022, the group announced that a total of 120 new real living wage accreditations had been recorded in Edinburgh during the first year of its operation, including very high take up rates among key target sector employers such as hospitality and catering businesses. These new commitments have resulted in direct pay increases for 1,400 Edinburgh workers this year, with further guaranteed future uplifts in line with the nationally set real living wage.
- 4.4 Following this announcement, the group were recognised for 'Outstanding Leadership' at the 2022 Scottish Living Wage Awards. The awards citation noted that "*The judging panel were impressed with the immediate impact the Action Group has had in Edinburgh, the growth seen in the area and the ways in which they are using their influence*".

The Living Hours Movement

- 4.5 Since its inception in 2001, the nationwide campaign for a Living Wage has ensured that more than 59,000 workers in Scotland have received an extra £370 million in their wages.
- 4.6 Building on this progress and recognising that many low paid workers also struggle to get the hours they need to make ends meet. Research published in 2021 showed that :
 - 4.6.1 About 20% of workers in Scotland experience insecure work (uncertainty over hours or income), particularly in sectors such as care, construction, and hospitality.
 - 4.6.2 43% of the working population (80% of shift workers) receive less than four weeks' notice for working hours, shifts or work schedules.
 - 4.6.3 26% of the working population have experienced unexpected cancellations of shifts
 - 4.6.4 21% of workers do not have the guarantee of at least 16 hours per week, and 50% of which would like to work more hours if given the option.
- 4.7 In response to these pressures, in 2019 the Living Wage Foundation developed a new standard and accreditation scheme for those employers that can offer Living Hours alongside a real Living Wage. Living Hours calls on employers to provide workers with the right to:
 - 4.7.1 Decent notice periods for shifts of at least 4 weeks' notice, with guaranteed payment if shifts are cancelled within this notice period
 - 4.7.2 A contract that reflects accurate hours worked, and

- 4.7.3 A guaranteed minimum of 16 hours a week (unless the worker requests otherwise).
- 4.8 In doing so, the campaign aims to provide employers with a toolkit to ensure workers can have a secure and predictable income around which to build household budgets.
- 4.9 A total of 17 organisations in Scotland are now accredited Living Hours employers, two of which – Ayr, and Edinburgh Dog and Cat Home – are members of the Edinburgh Living Wage Action Group. Edinburgh's is the only Living Wage Place group in Scotland with such representation. The group as a whole is, indeed, supportive of the living hours principle and is committed to promoting fair work beyond pay alone. It's five year action plan includes an existing commitment to:
- 4.9.1 "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."
- 4.10 During 2022, group members have acted as ambassadors for the Living Hours movement through hosting workshops and publishing blogs and case studies which describe the challenges and benefits of the living hours commitment for SMEs in Scotland.

Becoming a Living Hours Council

- 4.11 While living wage accreditations have seen a significant increase in recent years, most strongly in Edinburgh, levels of take and penetration for the Living Hours campaign have been much more modest. In general terms, recent patterns suggest that while growing numbers of employers are committed to fair work principles, the application of these principles to contracting for hours worked has proved more complex to implement than for pay levels alone.
- 4.12 This has been equally true for local authorities. At present, while 23 local authorities in Scotland are accredited Real Living Wage employers, none have as yet been accredited as or made a commitment to become a Living Hours employer.
- 4.13 For this Council, an initial consultation with Living Wage Scotland and Council colleagues has identified three key questions which would need to be addressed in detail before the Council could consider signing up to the living hours standard. These include:
- 4.13.1 The scale of impact and potential benefits for staff
- 4.13.2 Impacts on deliverability of Council services, and
- 4.13.3 Impacts on Council budgets.
- 4.14 **Impact on Council workers:** The Council has been an accredited Living Wage Employer since 2016 and is committed to the promotion of fair work as an employer as well as through use of its capacity to influence change in Edinburgh as a buyer and commissioner of services.
- 4.15 An initial analysis suggests that the majority of Council workers would be unaffected by the changes needed to become a Living Hours employer. Workers affected by

the change would be largely focused on staff engaged on a casual or a supply basis. For such workers, the Council already ensures that all staff have a range of appropriate rights and protections that are consistent with fair work principles, including:

- 4.15.1 No obligation on the worker to accept an engagement offered and no obligation on the Council to offer work. This offers both parties a degree of flexibility and does not create a mutuality of obligation
 - 4.15.2 A rate of hourly pay that is at least the Local Authority Living Wage rate
 - 4.15.3 An enhancement to their hourly rates at the end of each assignment to ensure that they are adequately remunerated in respect of all holiday pay to which they are entitled under the Working Time Regulations 1998.
 - 4.15.4 Eligibility for Statutory Sick Pay where normal conditions are satisfied, and
 - 4.15.5 The right to choose to participate in the appropriate Local Government or Teachers' Pension Scheme by opting in.
- 4.16 Adoption of the Living Hours standard would mean an extension of these rights for casual and supply workers in line with the requirements highlighted in paragraph 4.7. Further research would be required, however, to fully scope and identify:
- 4.16.1 The number and profile of staff affected by the change
 - 4.16.2 The specific roles and services those staff support, and
 - 4.16.3 The views and opinions of affected staff to the contractual changes a living hours standard would imply.
- 4.17 **Impact on service design and delivery:** While 90% of Council FTEs are employed on a permanent basis, a number of core Council services are designed and delivered with the use of a flexible workforce comprising casual/supply or agency workers.
- 4.18 Such workers are typically used to ensure services have the agility necessary, over and above core workforce, to manage workload peaks over the year, cover temporary short term resource gaps, absence and vacancies, meet new pressures (relating to events, harsh weather or other factors) or ensure the quick completion of new work which is time sensitive.
- 4.19 Ensuring that all such resource requirements could be met in line with the living hours standard in a way that meets business needs and meets the Council's statutory duties, would require a change in service models and ways of working for a number of core Council services. Potential services affected would include schools, management of council buildings, care services, culture and events, and others. These changes are potentially complex, and further work would be required to fully understand the deliverability of a living hours working model, its potential risks and benefits.
- 4.20 **Impact on Council budgets:** The Living Hours standard would require the Council to guarantee a four week notice period for any proposed shift cancelled within a four week notice period. As noted above, further research would be required to identify

how many current workers might be affected by this change. However, it is likely that such a commitment would pose an additional budget risk to the Council, and that this risk would need to be formally factored into the Council Budget and funded on a recurrent basis.

- 4.21 Again, further work would be required to assess the scale and nature of this risk and associated funding pressures.

5. Next Steps

- 5.1 This report sets out a number of key questions that would need to be fully addressed in detail before the Council could consider a recommendation to become a Living Hours employer. Scoping and addressing these questions represent a potentially significant policy research programme, the commitment to which would have impacts on the deliverability of existing policy development and implementation plans.
- 5.2 In particular, officers are concerned that commitment to this programme at this time would significantly impact officers' ability to successfully progress with existing commitments on delivery of the Edinburgh Living Wage Action Plan, Gig Economy action plan, and aspects of the Council's End Poverty Delivery Plan.
- 5.3 In light of these capacity concerns, while supportive of the principles of the Living Hours movement, officers do not recommend that further research is carried out at this time to progress the Council's potential commitment to the Living Hours standard.
- 5.4 Notwithstanding these challenges, the following next steps are recommended:
- 5.4.1 The Convener of the Housing Homelessness and Fair Work Committee to meet with representatives of Living Wage Scotland in January 2023 to further discuss ways the Council and the Edinburgh Living Wage Action Group can support the Living Hours movement.
- 5.4.2 The Edinburgh Living Wage Action Group will plan its priorities and actions for the next 12 months at its next meeting. This will include discussion of potential actions to continue to support the Living Hours movement, and to strengthen engagement with Edinburgh Festivals groups.

6. Financial impact

- 6.1 Actions described in this report can be taken forward within existing agreed budgets. As set out in the report, Council adoption of the Living Hours standard would bring additional potential risks for Council budgets which would need to be funded on an annual recurring basis.

7. Stakeholder/Community Impact

The Edinburgh Living Wage Action Group is a collaboration of stakeholders and partners from the private sector, academia, third sector and trades unions.

8. Background reading/external references

- 8.1 [Fair Work Action Plan and Living Wage Edinburgh, 2 September 2021, Housing Homelessness and Fair Work Committee](#)

9. Appendices

none