

PE1467/I

Living Wage Foundation Letter of 23 September 2013

Dear Mr Stewart,

Many thanks for your recent letter. The Living Wage Foundation has initiated an accessible, independent, sustainable recognition scheme following demands from employers across the country. To date more than 375 enterprises in all sectors have been accredited including Scottish based employers and businesses operating UK wide, including Scotland. The Scottish LW Campaign is an integral part of the development and delivery of this campaign. For the immediate future we are addressing how we might contribute further in supporting the Scottish LW Campaign. Detailed comments are provided below:

Background on the Living Wage Foundation

- Established in 2011 to bring together growing interest in the LW in the UK. Followed a pro bono report by KPMG which identified the demand for a robust but light touch accreditation scheme for employers.
- The report highlighted the opportunity to establish an ethical 'fair pay' brand which is recognised by employers, employees and consumers.
- A comprehensive range of stakeholders, contributed from the outset including the leadership of the Scottish Living Wage campaign.
- Particularly helpful was the Fairtrade Foundation, who had been through the process of gathering together many disparate brands under a single powerful and recognisable kite-mark.
- Key features of the accreditation for employers are: voluntary, light touch; standard requirements but flexible in terms of timetable to implementation.
- For workers there is confidence that employers cannot simply subcontract way out of paying the LW (and a gap in the petitioner's proposals); informed by independent legal advice on the issue of EU procurement legislation.

Our work with the Scottish LW Campaign

- Enjoy close working relationship with the Scottish LW campaign, and have benefited enormously from their support and guidance.
- Our UK Advisory Council that ensures co-ordination and collaboration between those with an interest in the LW. Includes the Scottish LW Campaign.
- We are developing plans with Scottish LW campaign to have trained officers in Scotland to market and offer support and guidance to employers. Self financing through the small annual charge.

Accreditation

- Feedback from stakeholders and employers is that there is no interest for employers to have multiple accreditation schemes.

- Fee is not a barrier. In fact important for independence of the scheme that it is sustainable and independent and self-financing. Not high fees for smaller organisations.
- Nearly 400 accredited orgs, including Scottish enterprises and UK businesses with a strong presence in Scotland. Critical is one simple scheme.
- Not seen as government 'regulation' – a badge of honour. Private sector very prominent. Working with major private sector employer in Scotland for announcement in September.