



Community Planning Aberdeen

Progress Report	Project End Report 2.1: Real Living Wage
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Governance Group	CPA Management Group – 25 October 2023

Purpose of the Report

This report presents the results of the LOIP Improvement Project Aim 2.1 which sought to Increase employer sign up to the Real Living Wage by 5% year on year to 2023 to achieve Real Living Wage City Status by 2026, and seeks approval to continue as a partnership project with Living Wage Scotland and other public, private and third sector partners, with the aim of establishing a regional project.

Summary of Key Information

1 BACKGROUND

1.1 In-work poverty remains an issue in Aberdeen. Despite being a relatively affluent city, a large percentage of the population have not, and do not benefit from the general prosperity of the economy. According to the Population Needs Assessment, 1 in 5 children in the city are living in poverty, and whilst statistics do not show the local level of how many of these children are from households where at least one adult is in employment, the national figure is 68%. As the national level of children living in poverty is 1 in 4, there is unlikely to be a huge variance between the national and local figure. These figures are clearly indicative of the impact of low paid work. The most recent Household Earnings Survey in October 2021 shows 7.8% of the working population in Aberdeen are still paid below the Real Living Wage of £10.90 per hour. With the cost of living still high, the importance of a real living wage has never been more important.

2 IMPROVEMENT PROJECT AIM

2.1 Against this background, on October 2021 the CPA Board approved the [project charter](#) for the initiation of an improvement project which aimed to Increase employer sign up to the Real Living Wage by 5% year on year to 2023 to achieve Real Living Wage City Status by 2026.

2.2 The project was chosen due to its alignment with the primary focus of Aberdeen Prospers on delivering Fair Work and Good Work principles – ensuring those who are least engaged with the labour market or who benefit least from the City’s prosperity are given the opportunities to progress into sustainable employment.

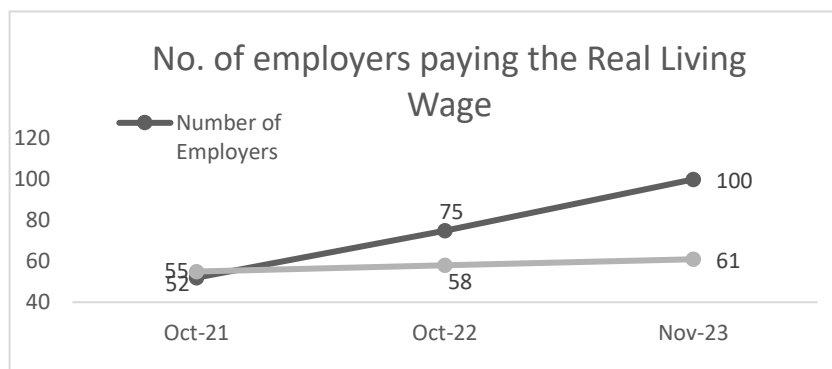
3 WHAT CHANGES DID WE MAKE?

3.1 The project tested the following changes:

1. Engagement with accredited employers to seek support in promotion of the Real Living Wage, gathering intelligence on issues regarding accreditation, and encouraging peers to become accredited employers.
2. Inclusion of promotional articles in community newsletters through SHMU to highlight benefits of Real Living Wage and rationale of the project to communities and employers based there.
3. Presence at events in the city to highlight the opportunities within public sector procurement of Real Living Wage accreditation. This was most recently evidenced by the recent participation of Living Wage Scotland in Meet the Buyer North.
4. Living Wage Week – annual promotional event with accredited employer and senior CPA board representative to promote aims of project.
5. Engagement with other Living Wage projects across the country – both individually and through Living Wage Place network. We have established close links with Dundee Living Wage Action Group, and have plans to establish a Scotland-wide networking group.
6. Approach to Aberdeen joining Making Living Wage Places scheme has been delivered through publication of action plan.
7. Connecting with the Third Sector to understand key issues and barriers to payment of Real Living Wage

4 HAVE OUR CHANGES RESULTED IN IMPROVEMENT?

4.1 Yes. 100 employers headquartered in the city are now real Living Wage accredited – a 92% increase since the project commenced in October 2021. The data shows a 44% increase between 2021-2022 and a 33% increase between 2022-2023 which exceeds the 5% year on year target set out in the aim.



4.2 Over 1,800 workers have now received an uplift in wages since the establishment of the real Living Wage movement in the city which now covers over 43,000 employees. The ASHE (Annual Survey of Household Earnings) figures have improved over the last couple of years, and with a positive pipeline of employers is in place, and it is hoped those numbers will continue to do so. 86.6% of Aberdeen's working population are now being paid the Real Living Wage, a 4.6% increase since 2016. 80% of all Living Wage employers believe it's enhanced the quality of the work of their staff.

4.3 Locally accredited employers include Aberdeen City Council, ACVO, University of Aberdeen, and the global energy services company, Wood – with more seeking to start their journey. Some feedback from businesses and staff below:

"As an events business, one of the main challenges is recruiting and by becoming accredited I was able to show that a small hospitality business like ours is able to pay a genuine living wage to everyone in the team. Ultimately, becoming an accredited Living Wage employer has helped us to find great talent and it shows we care about the team by paying a fair wage. It has also helped us win business from like-minded clients who understand what it means to be a Living Wage accredited employer. Plus, it shows to suppliers, contractors and customers that we are an ethical business." - **Hospitality Employer**

"I spent years working for minimum wage and relying on Working Tax Credits. Financial worries were extremely stressful. Earning a real Living Wage has made a huge impact on my life." - **Social care worker**

"Being paid the real Living Wage enables me to run my car. Before I've had to cancel shifts as I couldn't afford petrol or public transport" - **Healthcare worker**

4.4 As part of the action plan we've seen greater collaboration, most notable the third sector who created a survey of Third Sector to understand key issues and barriers to payment of Real Living Wage and accreditation. We have an ACVO representative on the action group as well as a representative from Shmu who are providing support and advice to the third sector. As a result of this collaboration, we've seen major third sector organisations in the city such as Mental Health Aberdeen, Instant Neighbour, AberNecessities and Aberdeen Cyrenians become accredited employers in the last year.

4.5 Presence at events and promotion around living wage week have significantly supported in the increasing number of enquiries from organisations. Following on from the events, organisations are supported through the challenges and potential barriers of becoming accredited. This year has seen the highest increase in the number of new accreditations – a 29% increase since the start of the year. This is as a result of increased communications and publicity around the action plan and real living wage in general.

5 HOW HAVE OUR COMMUNITIES/PROTECTED GROUPS PARTICIPATED IN THE PROJECT AND THE IMPACT OF THIS

5.1 Through SHMU's membership of the Action Group, we have recently presented to their employability groups on the real Living Wage to raise awareness of fair work opportunities, the associated benefits of being paid a living wage, and how to identify a living wage employer. This was followed by an interview on the project for SHMU FM's employability show. The action group regularly look for opportunities to promote the real living wage, and will engage as appropriate when community opportunities arise.

6 HOW WILL WE SUSTAIN THESE IMPROVEMENTS?

6.1 Engagement with accredited employers will continue due to the fundamental nature of engagement equalling more employer accreditations. Project team will continue to seek opportunities for community engagement via SHMU, who are represented on the Action Group.

6.2	Project team will continue to highlight the opportunities within public sector procurement for real living wage accreditation.
6.3	Promotion around real living wage week will continue to be used as a tool for engaging with new businesses and promoting businesses in the city that have achieved accreditation. Project team will continue to work closely with third sector to understand key issues. ACVO represented on Action Group
6.4	The Action Group have been working closely with the Responsible Business Network to align aims, and collaborate for mutual benefit. The Responsible Business Network project lead is now a member of the Action Group.
6.5	The project aim is to move towards Real Living Wage City status – and can only be achieved through the partnership with Living Wage Scotland and the publication of an action plan with targets and the establishment of an action group to deliver the plan. A three-year action plan was published in November 2022 which sets out the ambitions and targets for employer accreditation, uplifts, and employee coverage. An employer-led action group was also established to deliver and monitor these targets.
7	HOW WILL WE MONITOR THESE IMPROVEMENTS?
7.1	The Real Living Wage Action Group will continue to monitor the targets set out in its Action Plan. It is also recommended that testing is continued to 2026 with a revised aim focused on achieving Real Living Wage City Status by 2026 to be developed as part of the refresh of the LOIP.
8	OPPORTUNITIES FOR SCALE UP AND SPREAD
8.1	The accreditation process adopted by the living wage action group could be learned from and adopted by other projects within the LOIP as an approach to guide organisations towards supporting LOIP priorities.
8.2	The success through working with the third sector could be learned from and used to engage groups under-represented by the project. For example low-pay sectors such as hospitality, retail and care.

Recommendations for Action

It is recommended that the CPA Management Group:

- i) Note that the aim has been achieved in respect of the 5% year on year increase in Real Living Wage employers by 2023 and agree that testing is continued to 2026 with a revised aim focused on achieving Real Living Wage City Status by 2026 be developed as part of the refresh of the LOIP.

Opportunities and Risks

We are now looking to develop a regional action plan with associated targets and wider membership. The new Regional Economic Strategy has set an objective of becoming a Real Living Wage region with 95% of overall employment offering a real living wage or higher – by moving to a regional project, we can ensure the proper mechanisms are in place to achieve that objective.

Opportunity for the establishment of a Scotland-wide RLW networking group.

Consultation

Aberdeen Prospers

Background Papers

The following papers were used in the preparation of this report.



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Real Living Wage project charter



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Making Aberdeen a Living Wage City action plan

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