



Living Hours Employer Accreditation Guide

*providing security of hours
alongside a real Living Wage*

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Why Living Hours?

Payment of the real Living Wage remains a fundamental part of the solution to in-work poverty, however, the shape of low-paid work has changed. The other side of the coin is a rise in precarious work which disproportionately affects our lowest paid workers in industries such as retail, health and social care.

Therefore, it is important that workers are provided with security of hours and contracts whilst being paid the real Living Wage.

This is why the Living Wage Foundation developed the Living Hours accreditation scheme, to provide a measure of what good practice looks like, which Living Wage employers can adopt. Living Wage Scotland launched the Scottish Living Hours accreditation scheme to increase the number of employers in Scotland who are recognised for offering Living Hours alongside the real Living Wage.

Research from the Living Wage Foundation in 2023 concluded that over 9% of workers in Scotland are in the grip of insecure work while being paid below the Living Wage, that's approximately 250,000 workers.

By encouraging employers to achieve both Living Wage accreditation and Living Hours accreditation, we can loosen the grip of in work poverty in Scotland.

250,000

people in Scotland are in insecure work and
earn less than the real Living Wage

that's over 9% of the Scottish workforce

What are the measures?

Living Hours accreditation is open to all accredited Living Wage Employers. To become an accredited Living Hours Employer, organisations must provide all in scope* directly employed staff, and regular, third-party contracted staff:

- Decent notice periods for shifts of at least 4 weeks
- A contract that reflects the hours they regularly work
- A guaranteed minimum of 16 hours a week (unless the worker requests fewer)

* Workers considered in scope of Living Hours accreditation are:

- Directly employed staff who earn less than or equivalent to the real Living Wage x 1.25
- Third-party contracted staff who are already in the scope of the employer's Living Wage accreditation. As with Living Wage accreditation, relevant directly employed staff must be receiving these measures at the point of accreditation and phased implementation of these measures can be applied to third-party contracted workers, a process we call 'milestones'.

What is the process for accreditation?

There is a 5-step process for Living Hours accreditation:

1. Gather information on relevant third-party contracts to understand those that will be within scope of Living Hours accreditation.
2. Complete a Diagnostic Tool which gives us a snapshot of your organisation's practice and where you might already be acting in accordance with Living Hours.
3. Workshop on the journey to Living Hours to identify the barriers to implementing the measures and concrete next steps for overcoming them. The workshop(s) will be facilitated by the Living Wage Foundation with relevant members of your organisation

4. Follow up on next steps and actions to implement the required changes identified in the workshop.
5. Celebrate your status as a Living Hours Employer!

Why accredit as a Living Hours employer?

Businesses will know they are doing the right thing by their staff and ultimately what's good for workers is good for business. By providing workers with greater security and stability, employers benefit from a happier, more motivated and productive workforce.

Living Hours shows there are effective ways of improving conditions for workers, and there's a real excitement among employers about the Living Hours measures.

“Providing workers with stable, guaranteed hours alongside decent pay is essential not only for workers and families, but it makes sense for businesses too. It encourages longer-term thinking and careful planning, and it ensures a healthy and motivated workforce. It's the right thing to do for our workers and our business, and we hope our commitment will help show others the way.” John Stewart, HR Director, SSE plc

People in insecure work are more likely to pay more for essential products and services, such as pre-payment meters, transport and last-minute childcare costs which can leave them even worse off.

“Being on a zero-hour contract is very challenging. I don't know when I'll be asked to work, or how much money I will have at the end of the month for my family. It means I can't plan which is very stressful.” Employee not receiving Living Hours

Living Hours provides workers with predictable, secure hours so they and their families can have control over their lives. Knowing the amount of money coming in at the end of the month allows workers to better plan, budget and save, thus improving living standards.

FAQs

Why 4 weeks' notice for shifts?

For many families, rent and other large outgoings are due monthly. Household bills such as utilities are often cheaper when paid on a monthly rather than pay-as-you-go basis. By sharing rotas 4 weeks in advance, we can ensure workers know the amount of work they will be doing and what they can expect to take home in pay; helping them budget for the month ahead.

Last minute shift changes impact on healthy family life and make it difficult to plan childcare arrangements. Under Living Hours, workers would receive full payment of their wage if a shift is cancelled or moved within this 4-week period.

Some employees like flexibility, what happens if they don't want 4 weeks' of shifts locked in?

We understand that some employees like flexible working as this suits responsibilities outside of work. If an employee wishes to be on a flexible contract because this suits their circumstances, we believe they should be able to make this choice, and they will be able to do so within the Living Hours programme by opting out. Employers would be required to provide a signed letter from employees to prove that they were voluntarily opting out.

What if employees don't want to work 16 hours?

Under Living Hours, workers that want or need to work less than 16 hours would be able to opt out. Employers would be required to provide a signed letter from employees to prove that they were voluntarily opting out.

Employees might want to do more than 16hrs, how would this work?

The 16-hour minimum was set in consultation with workers, trade unions and employers as a reasonable number of minimum hours per week. It is fine for employees to be working over 16 hours, as long as they consent and it is accurately reflected in their contract. However, an employer would not be obliged to provide more than 16hrs under this programme.

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What is the annual review?

It is important to provide certainty and avoid large fluctuations in pay from week-to-week and month-to-month over and above the 16hrs minimum, so we are also asking employers to give workers a right for their contracts to be reviewed and adjusted if they are regularly working more than 16 hours. Under Living Hours, this review should take place after 12 weeks of employment, and on an annual basis thereafter.

Which workers will be covered by Living Hours?

A major success of the Living Wage campaign is the requirement that employers ensure their sub-contracted workers, as well as directly-employed staff, are paid a wage they can live on. We therefore think it is important to ensure that 'Living Hours' applies to all staff in-scope of existing Living Wage accreditation, so that it covers:

- All directly-employed staff over the age of 18.
- All regularly contracted workers that are within scope of existing Living Wage accreditation.

As with Living Wage accreditation, we would take a phased implementation approach, allowing employers to accredit when their direct staff are receiving 'Living Hours', with a plan in place to roll it out to sub-contracted staff at the earliest possible date.

What about relief staff, agency staff, cleaners in organisations?

We know that for smaller organisations contracting workers for a few hours a week, it may be difficult to influence the service provider to provide workers with these measures. We are working with organisations to find ways to make this work.

For larger organisations like Aviva, who have successfully piloted these measures amongst some of their staff, including hospitality and reception, we believe we can provide these workers with a Living Wage and secure hours.

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Is Living Hours a requirement of Living Wage accreditation?

No, offering Living Hours contracts is not a requirement of Living Wage accreditation. The basic test of fairness for all employers is whether they are paying the real Living Wage to all workers, and signing up organisations to pay the Living Wage remains the focus of the Living Wage Foundation. Living Hours is an additional commitment for Living Wage organisations that are able to do so.

How will you monitor compliance of the accreditation?

As with Living Wage compliance, we will implement a robust whistleblowing mechanism to ensure that anyone who should be receiving Living Hours but isn't can get in touch with us and we can approach the employer to deal with this. As part of the accreditation process, we will work with managers to understand how to implement the measures, as well as holding focus groups with employees to ensure they understand their entitlement under Living Hours. Through this approach, we hope that managers will be fully prepared for implementation and so reduce the instances where workers are not receiving the measures, but also that workers themselves will have enough knowledge of their entitlement to know when they aren't receiving this.

Going Further

Employers can go even further and become a Living Hours Champion. This could include options to:

Work collaboratively with Living Wage Scotland and Living Wage Foundation on activities to champion Living Hours to other employers in your local area, or your business networks.

Employers can work with us to produce a case study on their experience to share their Living Hours journey with organisations.

We welcome the input of employers who want to go further to provide their workers with security of hours so please get in touch (details overleaf).



Living Wage Scotland

Get in touch



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