

Item 8 – Matter referred from the Executive

Committee: Cabinet

Agenda Item

Date: 28 October 2014

Title: The Living Wage

Portfolio Holder: Cllr Robert Chambers

Key Decision: No

Summary

1. This report outlines the Living Wage and recommends that the council becomes a Living Wage employer from the 1 January 2015

Recommendations

- a. The Cabinet is requested to recommend to Full Council, that the Council agrees to pay the Living Wage from 1 January 2015 and will seek to obtain accreditation with the Living Wage Foundation from that date.

Financial Implications

2. The revenue implications of this item can be met from existing budgets

Background Papers

None.

Impact

Communication/Consultation	Discussions have been held with the trade union.
Community Safety	None
Equalities	An Equalities Impact Assessment is attached as Appendix One
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
None Ward-specific impacts	None
Workforce/Workplace	See report

Background

3. The Living Wage Campaign in the UK was launched by London Citizens in 2001 and calls for every worker in the country to earn enough to provide their family with the essentials of life. Following a series of successful campaigns, various interested parties joined together and formed the Living Wage Foundation in 2011. The Foundation is now the lead body and provides accreditation, support and advice to Living Wage Employers.
4. The figure used by the Living Wage Foundation is calculated for the Foundation by the Centre for Research in Social Policy (CRSP). The calculation is based on the Minimum Income Standard for the United Kingdom, the product of research by CRSP, funded by the Joseph Rowntree Foundation. The research looks in detail at what households need in order to have a minimum acceptable standard of living. Decisions about what to include in this standard are made by groups comprising members of the public. The Living Wage is therefore rooted in social consensus about what people need to make ends meet.
5. The uprating of the Living Wage figure each year takes account of rises in living costs and any changes in what people define as a 'minimum'. It also takes some account of what is happening to wages generally, to prevent a situation where Living Wage employers are required to give pay rises that are too far out of line with general pay trends.
6. The Living Wage rate (outside of London) for 2014/15 will be announced on 3 November 2014 as part of the 'Living Wage Week' which runs from 2 – 8 November.
7. The current Living Wage rate (outside of London) is £7.65 per hour. Fifteen staff are currently paid below this amount, a mix of mainly cleaners and refuse loaders.
8. Introducing the Living Wage, at the current rate, would cost £8,850 in a full year. Precise costs will be presented to Full Council in December once the new figure is known. Previous rates are shown below
 - 2011/12 - £7.20
 - 2012/13 - £7.45
 - 2013/14 - £7.65

At present there is no indication of the 2014/15 rate, however for every 10p per hour increase the introduction cost to the Council rises by £1,400.

9. The cost of being accredited to the Living Wage Foundation is £400 per annum.