

**Extract of Executive Board Minutes Relevant to the Employment, Learning and Skills and Community Policy and Performance Board**

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**EXECUTIVE BOARD MEETING HELD ON 24 MARCH 2016**

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| <b>138</b> | <b>NATIONAL LIVING WAGE – UNDER 25</b> |
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The Board considered a report of the Strategic Director, Community and Resources, which sought approval to pay the National Living Wage to members of staff aged under 25.

The National Living Wage (NLW) was announced as part of the Government's Budget in July 2015 as a compulsory payment to workers aged 25 and over effective from 1 April 2016. It was reported that the NLW rate of pay would have no link with the cost of living but was instead based around median earnings. The NLW would apply to all categories of individual that were currently eligible for the National Minimum Wage; these included employees, most 'workers' (working under contract) and agency workers.

The report contained details of the policy implications and the provision of the NLW to all individuals working for Halton under an employment contract or a contract to personally perform services. It was reported that, given the practicalities of implementing the NLW from April 2016, Halton had prepared for the potential impact on pay structures, even though new pay structures under offer through the National Local Government pay negotiations were subject to agreement.

Members were advised that, on balance, there was insufficient justification to pay those under 25 less for doing exactly the same job. There would however, be a number of on-costs associated with this, including pension, National Insurance Contributions, auto enrolment and the need to maintain pay differentials within the workforce. For Halton, based on current staffing levels and ages, this would equate to an additional total cost of £34,734 in 2016/17. These estimated costs showed a steady cumulative increase in the total cost over the four year period, with an estimated annual cost of implementing the NLW of £1.1m by 2020/21.

**RESOLVED:** That the payment of the National Living Wage to members of staff aged under 25 be agreed and implemented from 1 April 2016.