

REPORT TO: Corporate Policy and Performance Board
DATE: 3 September 2013
REPORTING OFFICER: Strategic Director, Policy and Resources
PORTFOLIO: Resources
SUBJECT: Topic Group Formation: Living Wage
WARDS: Borough Wide

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to recommend the establishment of a Topic Group to examine the implications for the Council implementing “The Living Wage” and for that Topic Group to make recommendations to the full Board.

2.0 RECOMMENDATIONS

It is recommended that:

- (i) a Topic Group be established to examine the implications for the Council of implementing the “Living Wage”; and
- (ii) the Board nominate Members to sit on that Group.

3.0 BACKGROUND

3.1 The Living Wage is defined by the Living Wage Foundation as the hourly rate of pay “deemed adequate for a worker to provide their family with the essentials of life”. In London the current rate is £8.55 per hour. Outside of London the current rate is £7.45 per hour. Whilst the Council clearly adheres to the National Minimum Wage it does have employees paid below the Living Wage.

3.2 Unlike the National Minimum Wage (NMW), the Living Wage has no statutory basis but it has been adopted voluntarily by a range of public and private sector organisations, including a small number of local authorities.

3.3 The campaign for the Living Wage, run by the Living Wage Foundation, offers accreditation to employers that pay the Living Wage and provides support and advice to employers and seeks to influence employers.

3.4 The Living Wage is calculated independently by the Centre for Research in Social Policy at Loughborough University and funded by the Joseph Rowntree Foundation.

- 3.5 The Leader has asked that the Corporate Policy and Performance Board examines the implications for the Council if it were to introduce the Living Wage and for the PPB to make recommendations to the Executive Board.
- 3.6 it is suggested that the PPB establishes a Topic Group to look at this issue in some detail. The Topic Group could:
- (1) Consider the benefits of introducing the Living Wage.
 - (2) Examine the risks of introducing the Living Wage.
 - (3) Consider the legal, financial and Human Resource implications of its introduction.
 - (4) Seek independent advice and understand the experiences of those who have implemented it.

4.0 POLICY IMPLICATIONS

- 4.1 Since March 2012, the Council has been required to annually adopt a “pay policy”, which outlines how it determines the pay of its employees. The Topic Group would need to take that policy into consideration when examining this issue.

5.0 OTHER IMPLICATIONS

- 5.1 There will be other issues the Topic Group will need to consider, such as, affordability and the need to protect the authority from equal pay claims.

6.0 IMPLICATIONS FOR THE COUNCIL’S PRIORITIES

- 6.1 **Children and Young People in Halton**
Employment, Learning and Skills in Halton
A Healthy Halton
A Safer Halton
Halton’s Urban Renewal

- 6.2 Increasing pay will clearly enhance the morale of those benefiting, however, any cost has to be found from other areas of the Council’s business and therefore can potentially affect its priorities.

7.0 RISK ANALYSIS

- 7.1 There are no risks directly affected by this report but the Topic Group will clearly need to fully understand the risks to the Council of implementing the Living Wage.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Any revised pay policy in this area would have to be subject to an equality impact assessment.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 There are no background papers under the meaning of the Act.