



To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith
Report by: Head of Human Resources
Relevant scrutiny committee: Strategy & Resources
20/1/2014
Scrutiny Committee
Wards affected: All

REVIEW OF LIVING WAGE Not a Key Decision

1. Executive summary

1.1 This report responds to the request of Full Council on 21 February 2013, to review within 12 months, the payment of the minimum of the Living Wage to agency workers after 4 weeks of their engagement, and that any changes be proposed for the Pay Policy Statement 2014/15.

2. Recommendations

2.1 The Executive Councillor is recommended to accept this report and continue with the Living Wage Policy in respect of agency workers, as approved by Council in February 2013.

3. Background

3.1 In February 2013 the Full Council adopted a Living Wage Policy as part of its consideration of the Pay Policy Statement 2013/14. This followed consideration of a report on the Living Wage by Strategy and Resources Scrutiny Committee and the Executive Councillor for Customer Services and Resources on 21 January 2013 and subsequent consideration by Civic Affairs on 30 January 2013.

3.2 The current Living Wage Policy states:

The Council has adopted a Living Wage policy for staff, agency workers and contractors engaged through the Council's procurement processes.

The Council will pay the Living Wage for Cambridge City Council staff, by way of a supplement to current pay rates.

The Council will pay the minimum of the Living Wage to agency workers after 4 weeks of their engagement with the City Council.

The Council will review within 12 months the proposal to pay the minimum of the Living Wage to agency workers after 4 weeks of their engagement, any changes to be proposed for the 2014 Pay Policy Statement.

The Council will encourage contractors to adopt the Living Wage through the Council's Procurement processes.

3.3 When the Council agreed the Living Wage policy the current outside London rate was £7.45. The Living Wage Foundation increased this rate to £7.65 on 4 November 2013. Cambridge City Council are in the process of implementing this updated rate.

3.5 All Group Leaders and the Executive Councillor for Customer Services and Resources have been consulted about the implementation of the increased living wage rate with effect from 4 November 2013. Group Leaders have confirmed that the intention of the Council's living wage policy is to pay the living wage at the current rate, i.e including any revised rate. The wording of the Pay Policy Statement 2014/15 will make explicit reference to this.

3.6 In July 2013 the National Joint Council for Local Government Services (NJC) agreed a national pay award for staff, with effect from 1 April 2013. This increased the pay rates on salary points 9 (£7.04) and 10 (£7.19) to £7.11 and £7.26 respectively. As the Living Wage rate of £7.45 was already being paid to staff, the amount of the required supplement was temporarily reduced; it will increase again with the uprating to £7.65.

3.7 We have reviewed the payment of the living wage to staff and agency workers under the current policy and at the rate of £7.45 per hour.

- Since April 2013 – 11 staff (in 13 posts) have received the Living Wage, paid as a supplement on salary points 9 (£7.11) and 10 (£7.26) of Band 1.
- Since April 2013 to the end of October 2013 – 84 agency workers have received the Living Wage, after 4 weeks of engagement.

4. Summary and Recommendation

4.1 The current policy in relation to agency workers exceeds the expectations of the Living Wage Foundation for agency workers to be paid the Living Wage after eight weeks.

4.2 It is proposed to continue to pay the minimum of the Living Wage to agency workers after 4 weeks.

4.3 The draft Pay Policy Statement for 2014/15, to be considered at Civic Affairs on 29 January 2014 and by Full Council on 27 February 2014 will be updated to remove the reference to the review and to include wording relating to the November review of the Living Wage rate.

4.4 Further work is underway by the Head of Legal Services and Strategic Procurement Adviser to review the Councils living wage policy in relation to procurement and contractors.

5. Implications

(a) Financial Implications

None.

(b) Staffing Implications (if not covered in Consultations Section)

The proposals in this report relate to payment of agency workers. To date 11 staff and 84 agency workers have been paid in accordance with the Living Wage Policy.

(c) Equal Opportunities Implications

An Equality Impact Assessment (EQIA) accompanied the report considering adoption of a Living Wage policy, presented to Strategy and Resources Scrutiny Committee on 21 January 2013. The potential adoption of a living wage policy for agency workers was assessed as having a positive impact.

(d) Environmental Implications

There are no environmental implications arising from this report.

(e) **Procurement**

This report considers the payment of the living wage to agency workers engaged by the Council. Agency workers are procured under the Council's current agency worker contract and procurement policy.

(f) **Consultation and communication**

The Chief Executive, Director of Resources, Head of Legal Services and Strategic Procurement Adviser have been consulted on this report.

(g) **Community Safety**

There are no community safety implications arising from this report.

6. Background papers

These background papers were used in the preparation of this report:

- Reports to Strategy and Resources Scrutiny Committee 21 January 2013, Civic Affairs 30 January 2013 and Council 21 February 2013.
- Equality Impact Assessment accompanying the report to Strategy and Resources Scrutiny Committee 21 January 2013
- Pay Policy Statement 2013/14

7. Appendices

None

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Deborah Simpson
Author's Phone Number: 01223 - 458101
Author's Email: deborah.simpson@cambridge.gov.uk