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TO: **SPECIAL EMPLOYMENT COMMITTEE**
12 FEBRUARY 2014

THE LIVING WAGE
(Director of Corporate Services – Human Resources)

1 PURPOSE OF REPORT

- 1.1 Previous meetings of the Committee have received a number of reports relating to the work being done to develop a new pay and grading structure for the Council.
- 1.2 Since the last report, the Director of Corporate Services and the Chief Officer: Human Resources have been meeting with full time union officials and have been discussing issues relating to low pay and the concept of the “Living Wage”. This report brings forward a recommendation to allow the Council to address those issues.

2 RECOMMENDATIONS

The Committee are recommended:

- 2.1 **To endorse the Executive’s suggested approach to a “Bracknell Forest Supplement” payment (paragraph 5.1.4).**

3 REASONS FOR RECOMMENDATION

- 3.1 To enable the Council to better support the lowest paid employees in its workforce.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not to implement the Bracknell Forest Supplement which would adversely impact on those lower paid employees.

5.1 The Living Wage

- 5.1.1 The issue of the Living Wage became part of general discussions with the local trades unions in the context of supporting the lowest paid workers. The Living Wage is part of a campaign sponsored by the Joseph Rowntree Foundation to improve the lot of low paid workers and is regarded as the minimum income necessary for a worker to meet basic needs. The Living Wage is a benchmark figure, currently set at £7.65 per hour outside London and £8.80 in London (the Minimum Wage rate, which is a legal requirement, is £6.81/hour). Whilst there is no obligation for employers to pay the Living Wage it has moved centre stage for the national trades unions as they see it as the key to improving the lot of lower paid workers.

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- 5.1.2 In a local context, it is suggested that the Council aligns the lowest salary point on its pay scale with the £ equivalent of the Living Wage. It should be noted however that there is a need to avoid a contractual commitment to fix pay rates to this external index over which the Council has no control. The suggested approach therefore is to have any agreed payment regarded as the £ equivalent and paid as a supplement to the main pay range. Currently BGK is the lowest grade on the Council's structure, the top of which is spinal column point 10 (£7.55/hour); the next grade is BGJ, the bottom of which is spinal column point 11 (£8.00/hour). Implementing the £ equivalent of the Living Wage in Bracknell Forest would therefore support lower paid employees and preserve differentials on the main payscales.
- 5.1.3 Appendix A outlines an estimate of the cost of introducing the £ equivalent of the "Living Wage" broken down by schools/non-schools and cost per job profile.
- 5.1.4 Given the above, it is suggested by the Executive that the Council should implement the £ equivalent of the Living Wage to be paid as a "Bracknell Forest Supplement" from 1 April 2014. It is further suggested that this Supplement is annually reviewed on 1 April and take into account increases in the Living Wage in the previous November.
- 5.1.5 The matter has been subject to discussion at the Headteachers meeting in December 2013 and then the Schools Forum on 16 January both of whom endorsed the suggested approach and agreed to allow budget provision to be made for the introduction of a "Bracknell Forest Supplement" equivalent to the Living Wage for non-teaching staff in schools with effect from 1 April 2014.
- 5.1.6 It is now for the Employment Committee to consider the recommendation and agree the approach to be taken.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add to the report.

Borough Treasurer

- 6.2 The costs of implementing the £ equivalent of the Living Wage within the Council's grading structure are summarised in Appendix A.

It indicates that the costs of non-schools will be approximately £38,000. Schools have delegated budgets and have agreed to make their own provision for payment of the Supplement.

The Executive recommended the 2014/15 Budget to Council on 11 February. Should the Special Employment Committee endorse the "Bracknell Forest Supplement" the cost can be met from the contingency. Costs from 2015/16 onwards will be incorporated into the Council's Commitment Budget.

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Equalities Impact Assessment

- 6.3 As outlined in previous reports.

Strategic Risk Management Issues

- 6.4 As outlined in previous reports.

7 CONSULTATION

Principal Groups Consulted

- 7.1 As indicated in the report, the two principal trades unions have played a significant role in this matter and have been consulted at every stage of the project. Schools have also been consulted.

Method of Consultation

- 7.2 As outlined in the report.

Representations Received

- 7.3 The trades unions and the Headteachers wholeheartedly support the concept on the “Bracknell Forest Supplement”.

Background Papers

Contact for Further Information

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APPENDIX A

LIVING WAGE

	No of Staff	No of Contracts	Cost PA
Non Schools	81	83	£37,694
Schools	699	859	£167,925
Total	780	942	£205,619

Non Schools

Area	No of Staff	Cost
Adult Residential	45	£9,398
CYPL	10	£3,780
Leisure	27	£20,103

Schools

Job Title	No of Staff	Cost
Admin	10	£1,730
Play Worker/Nursery Assistant	23	£3,802
Caretaker	13	£5,430
Cleaner	60	£9,124
Crossing Patroller	10	£1,864
Lunchtime Controller	284	£24,758
Teaching Assistant	399	£110,499
Temporary Welfare Assistant	41	£5,284