

READING BOROUGH COUNCIL

TO:	PERSONNEL COMMITTEE		
DATE:	10 DECEMBER 2015	AGENDA ITEM:	5
TITLE:	LIVING WAGE - 2015 RATE		
LEAD MEMBER:	CLLR LOVELOCK		PERSONNEL COMMITTEE CHAIR
SERVICE:	CORPORATE RESOURCES	WARDS:	BOROUGHWIDE
AUTHOR:	WARREN KING	TEL:	74500
JOB TITLE:	INTERIM HR/PAYROLL SERVICES MANAGER	E-MAIL:	warren.king@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To provide Personnel Committee with an update on the new Living Wage (LW) rate and to seek agreement to delegate the authority to implement the new rate of pay.

2. RECOMMENDATIONS

- 2.1 That Personnel Committee delegate authority to the Managing Director and HR/Payroll Services manager to implement the new Living Wage rate with effect from 1st April 2016.

3. BACKGROUND

(a) COUNCIL POLICY

- 3.1 The Council's Pay Policy states:

Section 7.2: 'The Council also notes and welcomes the recent development of the Living Wage and commits to ensuring that staff (as defined in 7.1) receive as a minimum either scp 11 or the Living Wage rate (whichever is the higher).'

- 3.2 Scp 11 (currently £7.88 ph / £15,207 pa) derives from the Councils long standing low pay policy which was launched in 1987.

(b) THE LIVING WAGE (LW)

- 3.3 The UK Living Wage rate is set annually by the Living Wage Foundation and calculated by the Centre for Research in Social Policy at Loughborough University.

- 3.4 The updating of the LW 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 LW employers are required to give pay rises that are too far out of line with general pay trends.

- 3.5 The LW is announced in November each year and there is a 6 month period allowed for implementation. The new value of the LW has been announced as £8.25 ph and will need to be implemented before 1st May 2016.

4. APPLICATION OF LW

- 4.1 Whilst the Joint Trade Union Side have submitted a pay claim for 2016/17, this has yet to have received a full response from national employers.

- 4.2 Staff currently employed on SCPs 11 (£7.88 ph) and 12 (£8.05 ph) currently fall below the new LW rate of £8.25 ph. However, depending on the outcome of the national pay negotiations, it is possible that this picture will change.

- 4.3 Initial scoping suggests that there are 950 posts that will benefit from the Living Wage rate, almost half of which are in schools.

- 4.4 It is possible that the outcome of the NJC pay award will not be known until after the required LW implementation date of 1st May 2016.

- 4.5 One option is to pay a 'Living Wage Supplement' to those staff on SCP 11 and SCP 12 of £0.37 and £0.20 respectively to uplift their hourly rate to £8.25 per hour with effect from 1st April 2016. This supplement can be reduced, or removed entirely, once the outcome of the NJC pay award is known.

- 4.6 The next Personnel Committee meeting is on 3 March 2016. However, steps will need to be taken to build budgets to reflect the higher rate of pay in advance of that date and so approval is sought to delegate the authority to implement the £8.25 rate, by a method to be determined by the Managing Director and HR/Payroll Services Manager, following consultation with the Trade Unions.

6. LEGAL IMPLICATIONS

- 6.1 Included in the report, where applicable.

7. FINANCIAL IMPLICATIONS

- 7.1 To be determined.

8. BACKGROUND PAPERS

- 8.1 None