

**GENERAL PURPOSES COMMITTEE**  
**20 June 2013**

<b>Subject:</b>	<b>Living Wage</b>
<b>Director/Head of Service:</b>	Director of Resources
<b>Decision Issues:</b>	These matters are within the authority of the Executive
<b>Decision:</b>	Not applicable
<b>Classification:</b>	Non-confidential
<b>Ward:</b>	<b>All</b>

**To Note**

**Supporting Information**

**1. Introduction**

At its meeting on 20 December, the Committee asked for a report to a future meeting on the living wage. This report sets out some background information on the living wage, compares it with Canterbury City Council pay scales and provides background information on the position at other authorities in Kent.

**2. The living wage**

The UK Living Wage is calculated by the Centre for Research in Social Policy. It is calculated according to the basic cost of living in the UK and is currently calculated to be £7.45 an hour. By comparison, the minimum wage is £6.19. Employers choose to pay the Living Wage on a voluntary basis. The calculation does not take into account other non-salary benefits received by staff.

In order to achieve the Living Wage mark, in addition to paying directly employed staff the living wage, an organisation also has to confirm that, to the extent permitted by the law, contractors who supply an employee who provides a service to or on behalf of that organisation involving two or more hours of work in any given day, for eight or more consecutive weeks in a year shall pay all their employees aged 18 or over not less than the UK Living Wage.

**3. Living wage and Canterbury City Council pay scales**

An extract from the Canterbury City Council pay scales is attached and this shows that scale points 1 to 7 hourly pay rates are below the living wage.

At the end of December, the Council had the following staff on scale points 1 to 7:

Scale point	Number of full time equivalent staff (ftes)	notes
1	4.2	Mainly café assistants
2	variable	11 staff on zero hour contracts
3	variable	2 staff on zero hour contracts
5	3	Trainee positions
6	variable	18 staff on zero hour contracts, mainly beach lifeguards
7	variable	3.76 ftes plus 117 staff on zero hour contracts, mainly at the Marlowe theatre

(Note: there is no scale point 4)

Staff on zero hour contracts do not work a fixed pattern of hours. Instead their hours vary according to business need. They are however permanent rather than casual employees.

It can be seen from the above analysis that the majority of staff paid at rates below the living wage are on scale point 7, which is 15p per hour below living wage rate. However the living wage does not take into account the full benefits package available to the Council's staff. It is estimated that the cost of bringing all staff on scale point 7 up to the living wage would be around £10,000 a year.

#### 4. **Other Kent authorities**

Three Kent authorities are paying or will pay their staff the living wage:

- Dartford Borough Council
- Tunbridge Wells
- Thanet District Council

In Dartford's case it is understood that only six employees are paid below the living wage so the financial impact would be minimal. The living wage has not been applied to service not provided directly by the Council such as the Orchard Theatre or refuse collection.

Tunbridge Wells agreed to adopt the living wage as part of a wider change to its terms and conditions for staff when it introduced a 'reward for contribution' approach to staff pay. The living wage does apply to staff working at the Assembly Halls.

Similarly, Thanet has adopted the living wage for its own staff as part of its changes to staff terms and conditions (Pay and Reward proposals).

#### 5. **Relevant Council Policy/Strategies/Budgetary Documents**

The Council does not have a policy to adopt the living wage.

#### 6. **Risk Assessment**

Not applicable as report for information only

#### 7. **Consultation**

None

**8. Options available**

Not applicable as for information only.

**9. Implications**

- (a) Financial Implications – none as this report is for information only
- (b) Staffing/Resource Implications – these are contained in the body of the report
- (d) Legal Implications – none
- (g) Human Rights Issues (Legal) - none
- (h) Equalities - none

**Contact Officers:      Tricia Marshall                      Direct Dial      862 393**

Scale Point	Salary £	Hourly Rate 2012/13 £	Hourly Rate 2013/14 £	Variation from living wage
1	11,981	6.08	6.14	1.31
2	12,120	6.28	6.34	1.11
3	12,507	6.48	6.54	0.91
5	12,924	6.70	6.77	0.68
6	13,449	6.97	7.04	0.41
7	13,953	7.23	7.30	0.15
8	14,706	7.62	7.70	Above living wage
9	15,525	8.05	8.13	Above living wage
10	16,239	8.42	8.50	Above living wage

Note: scale points 1 to 3 are fixed with no incremental progression.

Staff on points 5 to 10 are on Scale 1 and can progress by an increment a year until they get to scale point 10 unless they are on a fixed scale point contract.