

# EXECUTIVE

LEADER: Cllr Jeremy Christophers

OVERVIEW & SCRUTINY CHAIRMAN: Cllr Mike Haines

**DATE:** 3 November 2015

**REPORT OF:** CHAIRMAN OF OVERVIEW & SCRUTINY

**SUBJECT:** LIVING WAGE

**PART I**

## RECOMMENDATION

The Executive are recommended to introduce as soon as possible the 'Living Wage' as recommended by the Living Wage Foundation. The Committee hopes the recommendation would be accepted by the Executive.

*Note: Since the Overview & Scrutiny meeting the Local Government Association had asked councils to supply information regarding the implications of paying a living wage on pay differentials and contracts. This piece of work has not yet been concluded by the Council.*

### 1. PURPOSE

This report updates the Executive on the recommendations made by Overview & Scrutiny Committee at its meeting held on 21 September 2015.

### 2. BACKGROUND

The Overview & Scrutiny Committee received a report on the Living Wage and was asked to make comments for consideration by the Executive.

The Committee considered two options:

Option 1 – Paying the recently announced government minimum living wage for persons aged 25 and over. This was compulsory from April 2016 and would be £7.20 per hour rising to £9.00 per hour in 2020. The estimated cost implication for the Council for 2016/17 was £2,700.

Option 2 – Paying the living wage, a voluntary scheme, for all persons at £7.85 per hour. The estimated cost implication for the Council for 2016/17 was £140,221.

Below is an extract from the minutes:

A Member suggested the Council should be a trail blazer and commit to pay the living wage to its staff. Another Members view that wages had been affected by the 1% pay increase over the last 5 years, further that

consideration should also be given to paying £7.85 for those aged between 21 and 25.

Concern was raised that the additional £140,000 would place a strain on the budget and could result in an increased precept which in turn would mean those on lower wages having increased council tax bills. Whether paying the increase could result in a reduction in other government benefits and not wanting to cause further misery to those already on low wages.

**3. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on Tuesday, 10 November 2015.

**Cllr Mike Haines**  
**Overview & Scrutiny Chairman**

<b>Wards affected</b>	All
<b>Contact for more information</b>	Neil Aggett – 01626 215113
<b>Background Papers (For Part I reports only)</b>	Agenda and Minutes Overview & Scrutiny Committee
<b>Key Decision</b>	N
<b>In Forward Plan</b>	N
<b>In O&amp;S Work Programme</b>	N