

SUBJECT:	LIVING WAGE INCREASE NOVEMBER 2019
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, CITY SOLICITOR

1. Purpose of Report

- 1.1 To recommend to Executive the proposed increase to the living wage announced by the Living Wage Foundation in November 2019.

2. Background

- 2.1 The Council is committed to maintaining its Living Wage accreditation and in order to do so the Council has six months to implement the living wage following an increase.
- 2.2 In November 2019 it was announced that the living wage would increase from £9.00 an hour to £9.30 an hour.

3. Implementation

- 3.1 The aim of implementing the living wage is to ensure that no employees are paid below the living wage hourly rate.

Since achieving accreditation, the council has taken an active role externally to encourage Lincoln businesses to also pay the living wage.

In April 2016 the government introduced a higher minimum wage rate for all staff over 25 years of age and by law all employers must pay at least £8.21 per hour. This calculation is through a percentage of median earnings currently at 55%. The calculation for the living wage is made through the cost of living, based on a basket of household goods and services.

Currently there are twenty four employees who are paid less than the proposed living wage rate of £9.30. Three employee are on grade S1b spine point 1 (£9.0749), and twenty one employees who are on grade S1b, spine point 2 (£9.2739).

Pay negotiation for 2020 is yet to be agreed which may impact on the number of employees in receipt of the living wage. Preliminary work based on an assumption of a 2% increase suggests that this could reduce the number of those affected to approximately three members of staff.

4. Strategic Priorities

4.1 Let's drive economic growth

Provision of the living wage to employees supplies them with a higher disposable income which is likely to be spent locally.

4.2 Let's reduce inequality

Provision of the living wage protects the poorest people in Lincoln by providing a wage which is considered to be at a level to provide a living, in contrast to the minimum wage.

5. Organisational Impacts

5.1 Finance

Current Position

The financial impact would be negligible and would be funded within the existing budget.

Twenty one employees currently paid under the living wage would, subject to the assumed 2% pay award, be paid the living wage rate.

There would be three employees that would be subject to the living wage rate as the assumed budgeted 2% pay award would be less than £9.30. The required shortfall would be £200.00.

5.2 Equality, Diversity and Human Rights

There are currently twenty four employees who are paid under the living wage rate of £9.30.

The breakdown of these is 8 males and 16 females.

6. Recommendation

6.1 To recommend to Executive implementation of the latest living wage uplift during April 2020.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers:

None

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