

SUBJECT:	LIVING WAGE INCREASE NOVEMBER 2020
DIRECTORATE:	CHIEF EXECUTIVE
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 2020.

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 2020 it was announced that the living wage would increase from £9.30 an hour to £9.50 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 November 2020 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 £8.91 per hour with effect from April 2021. 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 eight employees who are paid less than the proposed living Wage rate of £9.50. One employee is on grade S1b spine point 1 (£9.3237), and seven members of casual staff who TUPE transferred to the Council in April 2020 who are paid the current living wage rate (£9.30).

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.

There are seven employees who would be subject to the living wage rate with effect from April 2021. The employee who is on grade S1b (currently paid £9.32) is due an increment on which will take her pay over the living wage rate on 6th January 2021. The required shortfall would be £800.00.

5.2 Equality, Diversity and Human Rights

There are currently eight employees who are paid under the living wage rate of £9.30. The breakdown of these is one male and seven females.

6. **Recommendation**

6.1 To recommend to Executive implementation of the latest living wage uplift during April 2021.

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

Lead Officer: Carolyn Wheater, City Solicitor
Telephone (01522) 873323