

SUBJECT:	ACCREDITED LIVING WAGE INCREASE NOVEMBER 2021
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 2021.

2. Background

- 2.1 The Council is committed to maintaining its Living Wage accreditation and to do so the Council has six months to implement the accredited living wage following an increase.
- 2.2 In November 2021 it was announced that the accredited living wage would increase from £9.50 an hour to £9.90 an hour.

3. Implementation

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

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

In November 2020 the government introduced a higher minimum wage rate for all staff over 23 years of age and by law all employers must pay at least £9.50 per hour with effect from April 2022. 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 61 employees who are paid less than the proposed accredited living wage rate of £9.90. 53 employees are on Scale 4 and below with the remaining on different terms and conditions through TUPE transfers.

4. Strategic Priorities

4.1 Let's drive economic growth

Provision of the accredited 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 accredited 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 draft MTFS 2022-2027 assumes a pay award of 1.75% for 2022/23, which is in addition to the pay award for 2021/22 that is currently under negotiation (1.75% for 2021/22 is also assumed in the draft MTFS).

A pay award of a minimum of 1.5% for 2021/22 would bring those on scale points 3 and 4 (39 employees) to over £9.90 per hour, their hourly pay would be further increased by any agreed pay award for 2022/23.

Those employees on scale points below 3 (22 employees) would still be below the hourly rate of £9.90 should the pay award be agreed at 1.75% in both 2021/22 and 2022/23. The additional cost to the Council to implement the accredited living wage for these employees would be c£600 p.a.

5.2 Equality, Diversity and Human Rights

There are currently 61 employees who are paid under the accredited living wage rate of £9.90.

The breakdown of these is 25 male and 36 females.

6. Recommendation

6.1 To recommend to Executive implementation of the latest accredited living wage uplift during April 2022.

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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