

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE
29 October 2013

| | | |
|--|---|--|
| Title of paper: | Living Wage – Full Implementation 2014 | |
| Director(s)/ Corporate Director(s): | Angela Probert Director of Human Resources and Transformation | Wards affected: All |
| Report author(s) and contact details: | Della Sewell Employee Relations Manager 01158763575 Della.sewell@nottinghamcity.gov.uk | |
| Portfolio Holder(s): | Cllr Chapman, Portfolio Holder for Resources and Neighbourhood Regeneration | Date of consultation with Portfolio Holders(s): 02/10/2013 |
| Other colleagues who have provided input: | Beverley Bull Finance Analyst 0115 8763693 Bev.bull@nottinghamcity.gov.uk John Bernard-Carlin Team Leader Housing, Employment & Education Team Legal Services 0115 8764391 John.bernard-carlin@nottinghamcity.gov.uk | |
| Relevant Council Plan Strategic Priority: (you must mark X in the relevant boxes below) | | |
| World Class Nottingham | | |
| Work in Nottingham | | X |
| Safer Nottingham | | |
| Neighbourhood Nottingham | | |
| Family Nottingham | | |
| Healthy Nottingham | | |
| Leading Nottingham | | X |
| Summary of issues (including benefits to citizens/service users): | | |
| This report recommends that the Council progresses to full implementation of the Living Wage from 1 st April 2014 to address in work poverty. | | |
| 1.3 Recommendation(s): | | |
| It is recommended that ACOS agree to: | | |
| 1 | To accelerate those employees paid on GLPC (Greater London Provincial Council) grade A and GLPC grade B, spinal column points (SCP) 8-10 to an hourly rate of currently £7.45 by way of a separate element of pay with effect from 1 April 2014. | |

| | |
|---|---|
| 2 | Consider the implications of the further increase in the Living Wage rate that is expected to be announced in November 2013. This will be the subject of a future report to ACOS. |
| 3 | To note that consultation with schools will be required on how the Living Wage is funded in schools. |

2. **BACKGROUND**

- 2.1 To address the issue of low pay that has arisen over the past few years ACOS agreed on 3 December 2012 to work towards the implementation of the Living Wage by paying a partial Living Wage supplement to those employees currently on GLPC grade A, including schools based employees and casual workers. At the same time ACOS committed to the future full implementation of the full Living Wage in 2014/15.
- 2.2 Payment of the partial Living Wage supplement (which equates to a salary equivalent to £6.83 per hour paid as a separate element of pay) will commence from November 2013, with affected colleagues receiving back dated pay to 1 April 2013.
- 2.3 This report recommends that full implementation of the Living Wage commences from 1st April 2014. The full Living Wage for places outside of London is currently £7.45 per hour, but this will be reviewed by the Living Wage Foundation in November 2013 to a rate not currently known but likely to be in the region of £7.70 per hour.
- 2.4 The Living Wage amount currently falls between SCP10 and SCP11 (GLPC grade B) on our current pay scales (See Appendix A for current NCC pay scales). Therefore the introduction of the full Living Wage supplement would see colleagues on GLPC Grade A (already in receipt of the partial Living Wage supplement) and GLPC Grade B, SCP 8-10, being paid a salary equivalent to £7.45 per hour. This would impact upon approximately 958 centrally based employees, 644 schools-based employees and 1156 casuals (schools and non-schools). See Appendices B & C for more detailed information.
- 2.5 As with the partial implementation the difference between current pay and £7.45 will be paid as a separate element of pay. This is to ensure that the Council's pay and grading model remains protected, and minimises the risk of an equal pay challenge. Equally schools based employees and casual workers who are paid on GLPC Grade A and Grade B, up to SCP 10 will need to be included to minimise any equal pay challenges.

3. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

- 3.1 Over recent years many people have seen their real income fall in comparison to the costs of living. The City Council wishes to contribute to building a more prosperous local community and this includes taking active steps as an employer to raise the living standards of our lowest paid workers.
- 3.2 Furthermore, annual increases in the minimum wage (currently £6.31/hour for adults) mean that it is rapidly catching up with our entry level salaries, and if the Council is to remain an attractive source of potential employment to local people it needs to ensure appropriately remunerated employment opportunities for our local citizens.
- 3.3 The proposals presented to ACOS at this meeting, aim to address the concern for lower paid employees, and to maintain the attractiveness of the City Council as an employer of choice.

4. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 The option of not paying the Living Wage and effectively doing nothing has been considered but the need to reduce in-work poverty and to recognise the difficulties lower paid employees are experiencing needs to be recognised and prioritised. However this has to be balanced against the cost of full implementation hence why a phased approach has been taken.
- 4.2 The current Living Wage for places outside of London is £7.45 per hour, but this will be reviewed by the Living Wage Foundation in November 2013 to a rate not currently known, but it is likely to be more. Therefore, this has also been considered as part of the financial implications section of this report.

5. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 5.1 The current Medium Term Financial Plan (MTFP) includes a provision for the partial implementation of the living wage from 1 April 2013 of 0.384m per annum. However the provision was only for permanent centrally based employees. No provision was made for casual workers. It is estimated an additional £0.060m is required to fund the cost of partial implementation of living wage for casuals.
- 5.2 It is estimated the full implementation of living wage from 1 April 2014 for permanent and centrally employed employees and casual workers is an additional £0.642m per annum. There is currently no provision in the MTFP for the additional cost of full implementation of the living wage.
- 5.3 The provision for the additional cost of the living wage is being considered as part of the wider budget strategy which will be reported to Executive Board in December for consultation. In examining proposals for the 2014/15 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly. Although there are uncertainties, it is clear that the public sector will have significantly lower levels of funding in the future than have been there in the past and significant further savings will be needed.
- 5.4 The partial implementation of the living wage from 1 April 2013 for school employees has been met from individual school budget allocations. The estimated additional cost of full implementation of the living wage from 1 April 2014 for permanent employees and casual workers is **£0.200m per annum**; this additional cost will have to be met from within Schools budget allocations.

Schools budgets are allocated in accordance with Department of Education guidance and financial regulations however; Schools Forum has to approve certain elements of the budget process and agree the overall budget. To ensure this occurs consultation with Schools will be required on this issue.

- 5.5 If the Living Wage Foundation increases the living wage rate to, for example £7.70 an hour, the estimated additional cost for of paying £7.70 instead of £7.45 an hour from 1 April 2014 is £0.276m for permanent centrally employed employees and casual workers. If the Living Wage Foundation increases the living wage rate a decision will be required as to whether the increase is implemented and additional provision will need to be identified.

6. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

Legal Comments

- 6.1 On the basis that an equality impact assessment has been carried out prior to implementation and subject to consistent application to all identified employees/posts, the equal pay risks arising from the recommendation are viewed as low.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Attached in Appendix D.

8. TRADE UNION COMMENTS

- 8.1 We welcome the council's decision to implement the Living Wage, although we note that at this stage it has only committed to partial implementation. We are disappointed however at the number of times the council has postponed the payment of the Living Wage supplement since April 2013, which has caused a great deal of upset and anger amongst those affected.
- 8.2 Whilst the council aims to implement the Living Wage fully in April 2014 the Trade Unions strongly believe this should not be done by attempting to remove the pay, terms and conditions of other employees many of whom are also suffering extreme financial hardship.

9. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

None

10. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

None

Appendix A: Nottingham City Council pay scales 2013-14

| Tier | Grade | Spinal Point | Salary | Hourly Rate |
|--------|--------|--------------|---------|-------------|
| 6 | GLPC-A | 04 | £12,266 | 6.3578 |
| | | 05 | £12,435 | 6.4454 |
| | | 06 | £12,614 | 6.5382 |
| | | 07 | £12,915 | 6.6942 |
| | GLPC-B | 08 | £13,321 | 6.9046 |
| | | 09 | £13,725 | 7.1140 |
| | | 10 | £14,013 | 7.2633 |
| | | 11 | £14,880 | 7.7127 |
| | GLPC-C | 12 | £15,189 | 7.8729 |
| | | 13 | £15,598 | 8.0849 |
| | | 14 | £15,882 | 8.2321 |
| | | 15 | £16,215 | 8.4047 |
| | GLPC-D | 16 | £16,604 | 8.6063 |
| | | 17 | £16,998 | 8.8105 |
| | | 18 | £17,333 | 8.9841 |
| | | 19 | £17,980 | 9.3195 |
| | | 20 | £18,638 | 9.6606 |
| | GLPC-E | 21 | £19,317 | 10.0125 |
| | | 22 | £19,817 | 10.2717 |
| | | 23 | £20,400 | 10.5739 |
| | | 24 | £21,067 | 10.9196 |
| 25 | | £21,734 | 11.2653 | |
| GLPC-F | 26 | £22,443 | 11.6328 | |
| | 27 | £23,188 | 12.0189 | |
| | 28 | £23,945 | 12.4113 | |
| | 29 | £24,892 | 12.9022 | |
| | 30 | £25,727 | 13.3350 | |
| 5 | GLPC-G | 31 | £26,539 | 13.7559 |
| | | 32 | £27,323 | 14.1622 |
| | | 33 | £28,127 | 14.5790 |
| | | 34 | £28,922 | 14.9910 |
| | | 35 | £29,528 | 15.3051 |
| | GLPC-H | 36 | £30,311 | 15.7110 |
| | | 37 | £31,160 | 16.1510 |
| | | 38 | £32,072 | 16.6238 |
| | | 39 | £33,128 | 17.1711 |
| | | 40 | £33,998 | 17.6221 |
| | GLPC-I | 41 | £34,894 | 18.0865 |
| | | 42 | £35,784 | 18.5478 |
| 43 | | £36,676 | 19.0101 | |
| 44 | | £37,578 | 19.4777 | |
| 45 | | £38,422 | 19.9151 | |
| 4 | GLPC-J | 46 | £39,351 | 20.3967 |
| | | 47 | £40,254 | 20.8647 |
| | | 48 | £41,148 | 21.3281 |
| | | 49 | £42,032 | 21.7863 |
| | | 50 | £42,930 | 22.2517 |
| | GLPC-K | 51 | £43,830 | 22.7182 |
| | | 52 | £44,717 | 23.1780 |
| | | 53 | £45,620 | 23.6460 |
| | | 54 | £46,553 | 24.1296 |
| | | 55 | £47,487 | 24.6138 |

Appendix B: Non Schools Roles affected by the Living Wage
Data as at 1st October 2013

| Non- Schools: GLPC A, GLPC-CAS-A, Non GLPC Equivalent to GLPCA | | | |
|---|-----------------------|-----------------------|-----------------------|
| | Perm/Temp | Casual | Total |
| Post | Contract Count | Contract Count | Contract Count |
| Care Assistant | 0 | 1 | 1 |
| Casual Translator Interpreter | 0 | 117 | 117 |
| Childcare Worker (Play) | 0 | 2 | 2 |
| Children's Centre Worker L1 | 3 | 0 | 3 |
| Cleaner | 450 | 28 | 478 |
| Customer Services 1 | 0 | 73 | 73 |
| Dining Room Assistant | 10 | 0 | 10 |
| General/Kitchen Domestic | 41 | 1 | 42 |
| Kitchen Assistant | 235 | 0 | 235 |
| Museum Sales Assistant | 0 | 1 | 1 |
| Operations 1 | 0 | 231 | 231 |
| Social Care 1 | 0 | 11 | 11 |
| Technical 1 | 0 | 69 | 69 |
| Apprentice / canvasser | 57 | 4 | 61 |
| TOTAL | 796 | 538 | 1334 |

| Non- Schools: GLPC B SCP 08, 09.10 | | | |
|---|-----------------------|-----------------------|-----------------------|
| | Perm/Temp | Casual | Total |
| Post | Contract Count | Contract Count | Contract Count |
| Admin Assistant | 1 | 0 | 1 |
| Admin Officer | 1 | 0 | 1 |
| Assistant Cook | 34 | 0 | 34 |
| Business Support Assistant | 11 | 0 | 11 |
| Business Support Assistant L2 | 2 | 0 | 2 |
| Cashier | 1 | 0 | 1 |
| Catering/Bar Assistant | 4 | 0 | 4 |
| Clerical Assistant | 1 | 0 | 1 |
| Concierge | 1 | 0 | 1 |
| Council House Assistant | 1 | 0 | 1 |
| Driver Maintenance | 2 | 0 | 2 |
| Electoral Services Assistant | 1 | 0 | 1 |
| Gardener | 12 | 0 | 12 |
| General Operative | 25 | 0 | 25 |
| Mail Room Assistant | 2 | 0 | 2 |
| Museum Sales Assistant | 7 | 2 | 9 |
| Service Admin | 0 | 1 | 1 |
| Park and Ride Attendant | 2 | 0 | 2 |
| Play and Youth Worker | 1 | 0 | 1 |
| Playground Maintenance Operative | 2 | 0 | 2 |
| Public Realm Operative L1 | 4 | 0 | 4 |
| Receptionist | 34 | 3 | 37 |
| Receptionist/Admin Assistant | 1 | 0 | 1 |
| School Crossing Patrol | 2 | 0 | 2 |
| Student Placement | 3 | 0 | 3 |
| Toilet Attendant | 5 | 0 | 5 |
| Window Cleaner | 1 | 0 | 1 |
| Driver/Mechanic (TUPE) | 1 | 0 | 1 |
| Customer Services 2 | 0 | 58 | 58 |
| Social Care | 0 | 47 | 47 |
| Teaching and Learning 2 | 0 | 22 | 22 |
| Service Admin 2 Rebus SUPPCA3 | 0 | 13 | 13 |

| | | | |
|-------------------------------|------------|------------|------------|
| Service Admin 2 Rebus SUPPCA2 | 0 | 1 | 1 |
| TOTAL | 162 | 147 | 309 |

| | | | |
|------------------------------------|------------|------------|-------------|
| GRAND TOTAL Non Schools | 958 | 685 | 1643 |
|------------------------------------|------------|------------|-------------|

**Appendix C: Schools Roles affected by the Living Wage
Data as at 1st October 2013**

| Schools: GLPC A, GLPC-CAS-A, Non GLPC Equivalent to GLPCA | | | |
|--|-------------------------------------|----------------------------------|---------------------------------|
| Post | Perm/Temp Contract Count | Casual Contract Count | Total Contract Count |
| Breakfast Club Assistant | 37 | 3 | 40 |
| Cleaner | 73 | 0 | 73 |
| Display Coordinator | 1 | 0 | 1 |
| Kitchen Assistant | 3 | 0 | 3 |
| Laundry Assistant | 2 | 0 | 2 |
| Midday Supervisor | 494 | 2 | 496 |
| Operations 1 | 0 | 5 | 5 |
| Reprographics Assistant | 2 | 0 | 2 |
| Social Care 1 | 0 | 86 | 86 |
| Welfare Assistant | 1 | 0 | 1 |
| Cas-Breakfast Club Assistant | 1 | 0 | 1 |
| Cas-Casual Breakfast Club Assistant | 0 | 1 | 1 |
| Cas Breakfast Club Sup | 0 | 1 | 1 |
| Cas-Relief Breakfast Club Assistant | 0 | 3 | 3 |
| Cas-Sessional Worker | 0 | 132 | 132 |
| Cas-Supply Breakfast Worker | 0 | 6 | 6 |
| Miscellaneous* | 6 | 195 | 201 |
| TOTAL | 620 | 434 | 1054 |

| Schools: GLPC B, SCP 08, 09, 10 | | | |
|--|-------------------------------------|----------------------------------|---------------------------------|
| Post | Perm/Temp Contract Count | Casual Contract Count | Total Contract Count |
| Breakfast Club Cook | 1 | 0 | 1 |
| Caretaker | 1 | 0 | 1 |
| Exclusion Room Manager | 1 | 0 | 1 |
| Midday supervisor – Beckhampton | 1 | 0 | 1 |
| Pool Support Attendant | 2 | 0 | 2 |
| School Admin / Clerical Assistant | 7 | 0 | 7 |
| School Club Worker | 4 | 1 | 5 |
| Technician | 3 | 0 | 3 |
| Trainee Library Assistant | 1 | 0 | 1 |
| Service Admin 2 | 0 | 6 | 6 |
| Teaching and learning 2 | 0 | 18 | 18 |
| Miscellaneous* | 3 | 12 | 15 |
| TOTAL | 24 | 37 | 61 |

* Roles with no associated Job Evaluation ID

| | | | |
|--------------------------------|------------|------------|-------------|
| GRAND TOTAL Schools | 644 | 471 | 1115 |
|--------------------------------|------------|------------|-------------|

Appendix D – Equality Impact Assessment

Name and brief description of proposal / policy / service being assessed
 This is an initial equality impact assessment screening of the proposal to introduce the payment of the full Living Wage (currently £7.45 per hour for places outside of London) from the 1st April 2014. This would impact on central employees, schools-based employees and casuals on GLPC Grade A (currently in receipt of the partial Living Wage supplement) and GLPC Grade B SCP 8-10.

Information used to analyse the effects on equality
 The data used for the purposes of this EIA was run as of 14 October 2013, and uses the same data set that is referred to throughout the ACOS report. It, therefore, includes central employees, schools-based employees and casual workers (a total of 2758 assignments) within the eligible grades/spinal column points. Due to the fact that the Council is currently between HR reporting systems (Delphi and Oracle) the data has been taken from a weekly 'data dump' and, therefore, it has not been possible to examine the impact on sexual orientation and religion, as this data is not available.

| | Could particularly benefit (X) | May adversely impact (X) | How different groups could be affected: Summary of impacts | Details of actions to reduce negative or increase positive impact (or why action not possible) |
|---|---|--------------------------|--|---|
| People from different ethnic groups | <input type="checkbox"/> | <input type="checkbox"/> | Of those colleagues in scope of the Living Wage, 17% (488) are BME. This is comparable to the overall BME representation in the workforce (16%). | For BME and Disabled colleagues the impact of the proposal appears neutral (that is to say there is no particular benefit or adverse impact) |
| Men, women (including maternity/pregnancy impact), transgender people | <input checked="" type="checkbox"/> (Women) | <input type="checkbox"/> | Of those colleagues in scope of the Living Wage 78% (2151) are women compared to 69% in the workforce overall. Conversely only 22% of those colleagues in scope are male (as compared to 31% in the workforce overall). Therefore, there is a potential benefit for female colleagues and a potential adverse impact for male colleagues from the introduction of the Living Wage. | There is a potential negative impact on male colleagues in that proportionally fewer males will receive the Living Wage; however the fact that there is a higher representation of male colleagues in the groups who are not eligible for the Living Wage, indicates that they are already in the higher salary bands and, therefore, not in posts that would be classed as earning |
| Disabled people or carers | <input type="checkbox"/> | <input type="checkbox"/> | | |
| People from different faith groups | Data not available | Data not available | | |
| Lesbian, gay or bisexual people | Data not available | Data not available | | |
| Older or younger people | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Of those colleagues in scope of the Living Wage 3% (80) are disabled. This is comparable to the overall | |

| | | | |
|--|--|---|--|
| | | <p>disabled representation in the workforce (3%).</p> <p>Of those colleagues in scope of the Living Wage 14% (396) are in the younger age brackets (16-24 years) compared to 9% in the overall workforce and 24% (666) are in the older age brackets (55-65+ years) compared to 19% in the overall workforce. Given the proportionally higher representation of older and younger workers who would be in receipt of the Living Wage under this proposal there is, a potential benefit to these groups.</p> | <p>below the hourly minimum rate considered necessary for a reasonable standard of living by the Living Wage Foundation.</p> |
| <p>Outcome(s) of equality impact assessment:</p> | | | |
| <p>No major change needed <input checked="" type="checkbox"/> Adjust the policy/proposal <input type="checkbox"/> Adverse impact but continue <input type="checkbox"/> Stop and remove the policy/proposal <input type="checkbox"/></p> | | | |
| <p>Arrangements for future monitoring of equality impact of this proposal / policy / service: It is recommended that this Equality Impact Assessment is reviewed after implementation, and again after any annual increases to the Living Wage amount as this has the potential to impact on a wider range of spinal column points and/or grades bringing more colleagues into scope.</p> | | | |
| <p>Approved by (manager signature): Della Sewell, Employee Relations Specialist Tel:01 158763575 della.sewell@nottinghamcity.gov.uk</p> | | <p>Date: 17 October 2013</p> | |

Appendix D cont'd - Data Analysis used for the Equality Impact Assessment

For the purposes of this assessment, index scores have been used, as this provides a clear and straightforward way of showing where there is higher or lower representation at a particular level. Using 16-17 year olds as an example, each index is calculated using the following calculation:

$$(35 \text{ LW Assignments} / 2758 \text{ Total LW Assignments}) / (58 \text{ All Assignments} / 13,019 \text{ Total All Assignments}) \times 100 = 285$$

| | |
|---------|-------------------------------|
| 70- | much lower representation |
| 70-90 | lower representation |
| 90-110 | about the same representation |
| 110-130 | higher representation |
| 130+ | much higher representation |

1) Age band equality monitoring:

| Age Band | No. LW Assignments | All Assignments | Index Score |
|----------|--------------------|-----------------|-------------|
| 16-17 | 35 | 58 | 285 |
| 18-24 | 361 | 1093 | 156 |
| 25-34 | 388 | 2486 | 74 |
| 35-44 | 605 | 3097 | 92 |
| 45-54 | 703 | 3797 | 87 |
| 55-64 | 522 | 2158 | 114 |
| 65+ | 144 | 330 | 206 |

2) Gender equality monitoring:

| Sex | No. LW Assignments | All Assignments | Index Score |
|--------|--------------------|-----------------|-------------|
| Female | 2151 | 9015 | 113 |

| | | | |
|------|-----|------|----|
| Male | 607 | 4004 | 72 |
|------|-----|------|----|

3) Ethnicity monitoring - by BME:

| BME | No. LW Assignments | All Assignments | Index Score |
|-----------|--------------------|-----------------|-------------|
| Yes | 488 | 2140 | 108 |
| No | 1790 | 9091 | 93 |
| Not Known | 480 | 1788 | 127 |

4) Disability monitoring:

| Disability | No. LW Assignments | All Assignments | Index Score |
|--------------|--------------------|-----------------|-------------|
| Disabled | 80 | 409 | 92 |
| Not Disabled | 2136 | 10210 | 99 |
| Not Known | 542 | 2400 | 107 |