

# SALISBURY CITY COUNCIL

**Subject** : Payment of the Real Living Wage  
**Committee** : Personnel Committee  
**Date** : 23 July 2021  
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## 1. Report Summary:

1.1. This report give details of the Real Living Wage currently paid by SCC and ask the committee to consider whether the RLW is to be paid.

## 2. Background:

- 2.1. The Real Living Wage (previously called Foundation Living Wage) (RLW) is a voluntary minimum wage that can paid to employees and is designed to represent a more acceptable level of minimum wage required to live. The calculation is based on a basket of household goods and services.
- 2.2. Salisbury City Council (SCC) have been paying the RLW since 1 April 2014.
- 2.3. It was agreed at the HR Sub Committee on 18 December 2018 that SCC would continue to pay the RLW for the lifetime of that administration and review the impact November each year when the new RLW rate is announced.
- 2.4. The pay scale as at April 2020 (as 2021/2022 pay award has not yet been agreed) is as follows:

SCP	01-Apr-20	
	per annum	per hour
1	£17,842	£9.25
2	£18,198	£9.43
3	£18,562	£9.62

- 2.5. Real Living Wage as at November 2020 is £9.50 per hour
- 2.6. Roles currently in receipt of Real Living Wage (rather than their spinal pay of points 1 or 2) are:
- 2.6.1. Market Cash Collectors
  - 2.6.2. Casual Events Assistants
  - 2.6.3. Casual Communities Assistants
  - 2.6.4. Cleaner
- 2.7. The estimated annual cost of paying the RLW as opposed to the spinal pay is approximately £1,400 per annum. Costs vary depending on the number of casual hours used. The cost of £1,400 is based on a pre-COVID average.

## 3. Next Steps:

- 3.1. The Council needs to consider whether it wished to continue to pay the RLW.
- 3.2. If the Committee wished to consider no longer paying RLW, then HR Manager strongly recommends taking appropriate legal advice as to risks before making final decision. This advice would focus on potential risks of removing a longstanding arrangement.

#### **4. Recommendation:**

It is recommended that the Committee:

- 4.1.1. Determine whether to continue to pay Real Living Wage for the duration of this administration.

#### **5. Wards Affected:** All

- 6. Background papers:** Previous papers discussing Real Living Wage have been discussed at Personnel Committees on 2 December 2014, 18 December 2017, 5 November 2018, 9 November 2020,

#### **7. Implications:**

- 7.1. **Financial:** Additional salary costs of difference between spinal point level and Real Living Wage level as highlighted in point 2.7.
- 7.2. **Legal:** Potential contractual issues if wishing to change position
- 7.3. **Personnel:** Potential impact on morale for those staff members receiving wage
- 7.4. **Environmental Impact:** None
- 7.5. **Equalities Impact Statement:** The wage is paid to a variety of staff, however there may be local reputational damage by removing the Real Living Wage.