

SALISBURY CITY COUNCIL

Report

Subject : Real Living Wage Implementation Date
Committee : Personnel Committee
Date : 25 April 2023
Author : Tracy Adams, HR Manager

1. Report Summary:

- 1.1. This report proposes a change to the date the Real Living Wage (RLW) is implemented for Salisbury City Council (SCC).

2. Background:

- 2.1. Minute 274.1 of the Personnel Committee of 21 Jul 2021 confirmed that RLW would continue to be paid by SCC until further notice.
- 2.2. The new rate for the RLW is announced each November.
- 2.3. SCC voluntarily pays RLW. SCC are not accredited living wage employers. Accredited employers should implement the rise as soon as possible but by the latest by mid-May.
- 2.4. SCC historically have implemented real living wage with an effective date of 1 November.

3. Considerations:

- 3.1. The last 2 years has seen a prolonged negotiating period of the national pay award. In 2021/2022 the national pay award was agreed in March 2022. In 2022/2023 the pay award was agreed in November 2023.
- 3.2. Each year those who were paid Real Living Wage would get the Real Living Wage increase from 1 November.
- 3.3. Those staff not on real living wage would not receive an increase until the national award had been agreed.
- 3.4. This can result in bringing staff who may be up to salary scale F to a very similar wage to those on pay band A.
- 3.5. This can lead to an impact on morale i.e. a manager and the person they manage may be on similar salaries, until the national pay award is agreed. This was raised in October 2022 by several staff to HR Manager.
- 3.6. A change in the date of the implementation of the RLW increase to the same time as the national pay award, will alleviate this problem.
- 3.7. The Committee may wish to consider backdating the payment to the RLW to 1 November (for those who remain in RLW after the national pay award has been agreed). Recommendation 4.2 covers this point.
- 3.8. In addition to morale issues it should be noted that the payroll processing can be complex when some employees get two pay rises per year in effect.

4. Recommendation:

It is recommended that the Committee:

- 4.1. Approve the award of the real living wage either from 1 November or when the national cost of living pay award, negotiated by NJC, is announced, whichever is later.
- 4.2. If, when the national pay award is agreed the individual remains on the real living wage then the real living wage will be backdated to 1 November. As detailed in para 3.7

5. Wards Affected: All

6. Background papers: Nil

7. Implications:

- 7.1. **Financial:** Those who are paid at real living wage rate would be awarded pay award in line with national NJC pay award
- 7.2. **Legal:** None.
- 7.3. **Personnel:** Staff will be awarded either real living wage or NJC national pay award at the same time.
- 7.4. **Environmental Impact:** None
- 7.5. **Equalities Impact Statement:** This applies to all staff.