

SALISBURY CITY COUNCIL

Report

Subject : Real Living Wage
Committee : Personnel Committee
Date : 09 November 2020
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1. Report Summary:

1.1. This report details consideration for continuing to pay Foundation Living Wage

2. Background:

- 2.1. The Real Living Wage (previously called Foundation Living Wage) is a voluntary minimum wage that is 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 Real Living Wage (RLW) since 1 April 2014.
- 2.3. It was agreed at the HR Sub Committee on 18 December 2018 that SCC continue to pay the RLW for the lifetime of the administration and review the impact November each year when the new RLW rate is announced.
- 2.4. The RLW was not brought to Personnel Committee in November 2019 in error, as no Personnel Committee meeting was called. This was an administration oversight. Staff were paid the appropriately increase amount and no staff member was adversely affected. I is estimated the financial impact on this year is modest, less than £1,000. This is because casual staff have been little used since March 2020 due to Covid 19 restrictions, and it is this group of staff who are most affected by any increase in the RLW.

3. The Real Living Wage and SCC:

- 3.1. The RLW for November 2019 to November 2020 is £9.30 per hour. Based on previous years, it is estimated that the RLW will increase by approximately 30p per hour. So, the revised RLW will be approximately £9.60 per hour.
- 3.2. Currently only roles who are on Spinal Point (SP)1/Pay Band A (£9.25) (lowest salary level in NJC salary scales) are paid the RLW. These roles are:
 - 3.2.1. Market Cash Collectors
 - 3.2.2. Casual Events Assistants
 - 3.2.3. Casual Communities Assistants
 - 3.2.4. Cleaner
- 3.3. SCC's Pay Band B/SP2&3 is paid at £9.43 and £9.62 per hour. SCC does not have any roles paid at Pay Band B.

- 3.4. SCC's Pay Band C/SP3&4 is paid at £9.62 and £9.81. The following roles are on this pay band:
 - 3.4.1. Ground Operatives
 - 3.4.2. Customer Service Officer
 - 3.4.3. Business Team Support Officer
 - 3.4.4. Market Assistant
- 3.5. If the Real Living Wage were to increase to above £9.62/£9.81 then this will impact those on those Pay Band C/SP3&4 staff shown above. If the RLW goes over £9.81, they will be paid at the RLW rate.
- 3.6. The cost of paying the new RLW in the financial year 2020/2021, the next full year of payment, is likely not exceed £2,000 per annum, if the RLW rise by approx. 30p per hour.
- 3.7. The cost of increased RLW over two years (Nov 2019 – Nov 21) is therefore estimated at approximately £3,000.

4. Rationale for Recommendation

- 4.1. Lower paid employees have been paid Real Living Wage since 1 April 2014 and therefore removal of this may lead to demotivation within workforce and financial hardship amongst the lowest paid employees.
- 4.2. Employment legal advice may be required to confirm removal would not breach custom and practice.
- 4.3. Damage to public perception of SCC if removal of Real Living Wage were to be reported negatively in the media.
- 4.4. By continuing to pay Real Living Wage the Council shows a clear commitment to SCC's corporate social responsibility.

5. Recommendation:

It is recommended that the

- 5.1. Committee to agree to continue to pay Real Living Wage subject to increase being approximately 30p per hour. If the increase is in excess of 50 per hour, this matter will be referred to this committee for further consideration.

6. Wards Affected: All

7. Background papers: Nil

8. Implications:

- 8.1. **Financial:** Minor increase in salary costs – amount dependent on increase of Real Living Wage
- 8.2. **Legal:** If recommendation is not agreed then consultation would need to be undertaken due to length of time the Real Living Wage has been paid for
- 8.3. **Personnel:** Motivation and financial impact on staff
- 8.4. **Environmental Impact:** Nil in relation to this report