

## BRECKLAND DISTRICT COUNCIL

**Report of:** Cllr W Smith, Portfolio Holder for Internal Services

**To:** General Purposes Committee, 16 October 2013

**Author:** Rob Walker, Assistant Director of Commissioning

**Subject:** Living Wage

**Purpose:** To consider the Motion referred to Council on 11 April 2013 regarding the Living Wage and to provide members of the General Purposes Committee with the latest financial and salary information on this matter.

### Recommendation(s):

That the General Purposes Committee: -

Note the contents of the report and consider the latest financial and salary information when making a recommendation to Cabinet and Council.

## 1. BACKGROUND

1.1 At Full Council on 11 April 2013 the following motion (proposed by Cllr Jermy and seconded by Cllr Canham) was considered under Standing Order No 6: -

*“Council notes that a growing number of local authorities are now paying more or are committed to pay the Living Wage. The Living Wage is a level of pay which is based on the principle of decency that work should pay at least enough to provide for the essentials of life. Council notes that the Living Wage has been independently set nationally at £7.45.*

*Council supports the introduction of the Living Wage in principle, for all its employees and will undertake a review as to the financial implications of such a decision and report to Full Council within 6 months. Subject to this, Council will work towards accreditation as a Living Wage employer and will seek to ensure its contractors and suppliers of goods and services do likewise.”*

1.2 The Motion was referred, without discussion, to the Local Joint Consultative Committee, the General Purposes Committee and Cabinet [if there were any financial implications to the Council].

1.3 The General Purposes Committee considered the motion at its meeting on 17 July 2013 and recommended to Council that the Living Wage be applied to all directly employed staff.

1.4 At Council on 5 September 2013, the Chairman of the General Purposes Committee requested that this recommendation be referred back to the Committee as he had been advised that the information they had received had been incomplete.

1.5 Background information on the Living Wage was included in the report to General Purposes on 17 July 2013.

1.6 Further information is provided below as requested by the Chairman of the General Purposes Committee.

## **2. ISSUES**

- 2.1 The Portfolio Holder for Internal Services has instructed the Human Resources Team to undertake a review of the remuneration and benefits that are awarded to all Breckland staff. This review is to consider salary gradings, performance related pay and non-financial reward packages and will be reported back to the General Purposes Committee in due course.
- 2.2 At General Purposes on 29 May 2013 the Performance Related Pay and Pay Award for 2013/14 were agreed and that a basic performance increase of 1% of salary be awarded to all staff; with over-achieving staff receiving an additional 0.5% and exceptional staff receiving an additional 1%.
- 2.3 Breckland Council staff working for the Anglia Revenues Partnership have benefited in 2013/14 from the Local Government National Pay Award and a pay increase of 1.0% (agreed in July 2013; backdated to 1 April 2013). ARP has 'local' arrangements in place outside of Breckland's Performance Related Pay system.
- 2.4 The impact of the Performance Related Pay and Pay Award at Breckland Council and the Local Government National Pay Award for 2013/14 (relevant to ARP staff) were not reflected in the financial model put forward to General Purposes Committee as part of the earlier report on the Living Wage.
- 2.5 The current position, as at 1 October 2013, is that Breckland Council employs 5 members of staff on salaries (FTE equivalent) of less than £14,374 (the annual salary equivalent of the hourly Living Wage rate).
- 2.6 The total annual cost to Breckland Council of increasing the salaries of the 5 members of staff (including on cost, pensions, etc.) to £14,374 (FTE equivalent) would be £2,169.68.
- 2.7 Breckland Council operates a salary grading system ranging from Grade 1 (high) to Grade 12 (low). Grade 12 (£12,063 - £13,606) is entirely below the [FTE annual] salary of £14,374, which falls in the low-mid point of Grade 11 (£13,606 - £16,382).
- 2.8 In summary, the Performance Related Pay and Pay Award at Breckland Council and the Local Government National Pay Award for 2013/14 have affected the financial model put forward for consideration. Furthermore, implementing a new minimum salary level of £14,374 would affect the salary grading system currently used by the Council for all appointments, particularly Grades 11 and 12, which is under review.

## **3. OPTIONS**

- 3.1 To do nothing.
- 3.2 To note the contents of the report and consider the latest financial and salary information when making a recommendation to Cabinet and Council.

## **4. REASONS FOR RECOMMENDATION(S)**

- 4.1 Additional information has been provided at the request of the Chairman and Members of the General Purposes Committee should have regard to the latest financial and salary information when making a recommendation to Cabinet and Council.

## **5. IMPLICATIONS**

### **5.1 Carbon Footprint & Environmental Issues**

Not applicable

## **5.2 Constitution & Legal**

Not applicable.

## **5.3 Contracts**

Not applicable.

## **5.4 Corporate Plan**

Not applicable

## **5.5 Crime and Disorder**

Not applicable

## **5.6 Equality and Diversity & Human Rights**

Not applicable

## **5.7 Financial**

Detailed in the body of the report.

The total cost to Breckland Council (including salary, on cost, pensions, etc.) of increasing the rate/salaries of the 5 members of staff to £14,374 (FTE equivalent) would be £2,169.68.

The total cost to Breckland Council for the financial year 2013/2014 if implemented with effect from 5 September 2013 [as proposed at Council on 5 September 2013] would be £1,265.67.

These figures are correct as at 1 October 2013.

## **5.8 Risk Management**

Not applicable.

## **5.9 Staffing**

Detailed in the body of the report.

## **5.10 Stakeholders / Consultation**

Consultation would be undertaken with those affected staff and their representatives as appropriate.

## **6. WARDS/COMMUNITIES AFFECTED**

6.1 All

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### **Lead Contact Officer**

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**Key Decision – No**