



REPORT TO EMPLOYMENT PANEL

PORTFOLIO AREA: GOVERNANCE AND RESOURCES

Date of Meeting: 3rd December 2012

Public

Inside Policy Framework

Title: Living Wage
Report of: Director of Resources
Report reference: RD. 56/12

Summary:

The Executive asked the Council to amend the Council's pay structure so that the lowest pay point is that of the living wage, currently £7.45 per hour.

Recommendations:

The Employment Panel approves the proposal and refers for consultation.

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1. INTRODUCTION

- 1.1 The Executive asked officers to consider how the Living Wage could be implemented within the Council. This report makes proposals on amendments to the bottom of the Council's pay structure which would enable this to happen while still maintaining the integrity of Job Evaluation.

2 BACKGROUND INFORMATION

- 2.1 The Council adopted its current pay structure in March 2010 when the results of Job Evaluation (as part of Single Status) was implemented.
- 2.2 The current pay structure for employees below chief officer level consists of 13 grades with 2 or 3 pay points in each grade. Each pay point was based on the nationally negotiated "spinal column point" (scp) but some were omitted to give a more consistent spread of increments. A copy of the current and proposed pay structure is given as appendix 1 and 2.

3 PROPOSALS TO IMPLEMENT THE LIVING WAGE

- 3.1 The nearest equivalent pay point to the Living Wage is pay point 4 within grade B, which is £13,874 per annum (£7.19 per hour). This would need to be increased to £14,374 (£7.45). It is proposed that this new pay point becomes the new grade A. An extra pay point added to grade B between current pay point 4 and 5 of £14,733 would give 2 pay points within grade B. Grade C would remain the same.

TABLE 1: GRADES A - C IN CURRENT PAY STRUCTURE

GRADE	JE POINTS	"OLD" SCP	CITY CO. PAY POINT	£ pa	HOURLY RATE
A	<250 (NJC)	6	P1	£12,489	£6.47
		7	P2	£12,787	£6.63
B	251 – 330 (NJC)	8	P3	£13,189	£6.84
		10	P4	£13,874	£7.19
		12	P5	£15,039	£7.80
C	331 – 378 (NJC)	14	P6	£15,725	£8.15
		15	P7	£16,054	£8.32
		16	P8	£16,440	£8.52

TABLE 2: GRADES A – C IN PROPOSED PAY STRUCTURE (changes shown in bold type)

GRADE	JE POINTS	"OLD" SCP	CITY CO. PAY POINT	£ pa	HOURLY RATE
A	<250 (NJC)		P1	£14,374	£7.45
B	251 – 330 (NJC)		P4	£ 14,733	£7.64
			P5	£15,039	£7.80

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

C	331 – 378 (NJC)	P6	£15,725	£8.15
		P7	£16,054	£8.32
		P8	£16,440	£8.52

3.2 The cost to implement this would be £28,225 including on costs.

3.3 It is proposed to implement the changes from 1st April 2013.

3.4 The changes would apply to contracted staff only and exclude Casuals, Apprentices and those on permitted work schemes.

4 **Consultation.**

4.1 Consultation to date has been with the Executive and JMT.

4.2 Consultation proposed. A short consultation with employees and the trades unions (for a month) is envisaged if Members agree to the proposals.

4.3 If the Panel approve the revised pay structure, the way forward would be for it to refer it for consultation, then receive a further report with the outcome of consultation and final proposals for consideration in time for Council to consider as part of the budget proposals.

5 **RECOMMENDATIONS**

5.1 Members are recommended to:

- Approve the revised pay structure for contracted staff from 1 April 2013 and refer for consultation with employees and their representatives.

6 **REASONS FOR RECOMMENDATIONS**

6.1 Research has found that the living wage proposed is required to live reasonably (outside of London) and by adopting it, Carlisle City Council sets a good example to local employers.

5 **IMPLICATIONS**

- Staffing/Resources – There is a direct impact on 20 current staff who would receive a pay increase in April. Other staff are not directly affected, though some may not be happy with the erosion in differentials at the lower end of the pay structure.
- Legal - The grading of the Pay Structure is a term and condition on which staff hold office and the Employment Panel has the delegated authority to deal with these matters. However, as the proposal has a financial implication any decision will be a recommendation to Council subject to budgetary approval.

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- Financial – The proposals to move employees currently paid below the ‘living’ wage level would require changes to the salary pay points used by the Council. The total cost of this would be £28,225 and provision for this additional cost has been included in the draft budget proposals for 2013/14. Council will take the final decision as to whether to include this as part of its budget at its meeting of 5 February 2013.
- Corporate Equality Issues – none.
- Environmental – none.
- Crime and Disorder – none.
- Impact on Customers – none.

4 IMPACT ASSESSMENTS

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	No	
Disability	No	
Race	No	
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Social exclusion	No	
Health inequalities	No	
Rurality	No	

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

Appendix 1: Current pay structure

GRADE	JOB EVALUATION POINTS	'OLD' SPINAL COLUMN POINT	NEW PAY POINT	£ 2009/10
A	<250 (NJC)	6	P1	12,489
		7	P2	12,787
B	251 – 330 (NJC)	8	P3	13,189
		10	P4	13,874
		12	P5	15,039
C	331 – 378 (NJC)	14	P6	15,725
		15	P7	16,054
		16	P8	16,440
D	379 – 407 (NJC)	18	P9	17,161
		19	P10	17,802
		20	P11	18,453
E	408 – 445 (NJC)	22	P12	19,621
		23	P13	20,198
		24	P14	20,858
F	446 – 474 (NJC)	26	P15	22,221
		27	P16	22,958
		28	P17	23,708
G	475 – 499 (NJC)	29	P18	24,646
		30	P19	25,472
		31	P20	26,276
H	500 - 530 (NJC)	32	P21	27,052
		33	P22	27,849
		34	P23	28,636
I	175 - 350 (Hay)	35	P24	29,236
		36	P25	30,011
		37	P26	30,851
J	351 – 450 (Hay)	38	P27	31,754
		39	P28	32,800
		40	P29	33,661
K	451 – 550 (Hay)	41	P30	34,549
		43	P31	36,313
		44	P32	37,206
L	551 – 650 (Hay)	45	P33	38,042
		47	P34	39,855
		49	P35	41,616
M	651 and above (Hay)	54	P36	46,259
		58	P37	50,607
N	Town Clerk and Chief Executive, Deputy and Directors			52,500 – 58,000
Q				74,545 – 82,000
R				96,627 – 104,462

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

Appendix 2: Proposed new pay structure 2013 - 4 (Changes shown in bold type)

GRADE	JOB EVALUATION POINTS	'OLD' SPINAL COLUMN POINT	NEW PAY POINT	£ p.a.
A	<250 (NJC)		P1	14,374
B	251 – 330 (NJC)	11	P4	14,733
		12	P5	15,039
C	331 – 378 (NJC)	14	P6	15,725
		15	P7	16,054
		16	P8	16,440
D	379 – 407 (NJC)	18	P9	17,161
		19	P10	17,802
		20	P11	18,453
E	408 – 445 (NJC)	22	P12	19,621
		23	P13	20,198
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		33	P22	27,849
		34	P23	28,636
I	175 - 350 (Hay)	35	P24	29,236
		36	P25	30,011
		37	P26	30,851
J	351 – 450 (Hay)	38	P27	31,754
		39	P28	32,800
		40	P29	33,661
K	451 – 550 (Hay)	41	P30	34,549
		43	P31	36,313
		44	P32	37,206
L	551 – 650 (Hay)	45	P33	38,042
		47	P34	39,855
		49	P35	41,616
M	651 and above (Hay)	54	P36	46,259
		58	P37	50,607
N				52,500 – 58,000
Q	Town Clerk and Chief Executive, Deputy and Directors			74,545 – 82,000
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