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| <b>Report for:</b> | <b>Staffing &amp; Remuneration Committee<br/>20 November 2014</b> | <b>Item Number:</b> |  |
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| <b>Title:</b> | <b>London Living Wage – Increase in rate</b> |
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| <b>Report Authorised by:</b> | <b>Jacque McGeachie – Assistant Director, Human Resources.</b> |
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| <b>Lead Officer:</b> | <b>Nicola Mathieson - Human Resources</b> |
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| <b>Ward(s) affected:</b><br><b>All</b> | <b>Report for Key/Non Key Decisions:</b><br><b>N/a</b> |
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**1. Describe the issue under consideration**

- 1.1 The council approved with effect from May 2011 that in future the pay of council employees at the lower ends of the London pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority. This will be by way of an hourly pay supplement as appropriate to ensure that the London Living Wage rate is achieved.
- 1.2 It was also approved to apply the London Living Wage to agency workers and that the Head of Human Resources was given the delegated authority to increase and/or introduce hourly pay supplements as appropriate to ensure that in future the pay of Council employees and Agency workers was in line with the London Living Wage.
- 1.3 On 3 November 2014 the Mayor announced an increase to the rate of the London Living Wage from £8.80 per hour to £9.15 per hour. This equates to a full time annual salary of £17,175.57.
- 1.4 This report sets out the financial cost of this to the Council.



## **2. Recommendations**

- 2.1 That the local hourly pay supplement for council employees at the lower end of the London pay spine be increased so that no one is paid less than the London Living Wage in line with the Mayor's announcement i.e. £9.15 per hour with effect from 3 November 2014.
- 2.2 That this increase be reflected in the salaries of staff in December 2014.
- 2.3 That the pay rates of agency workers be increased so that no one is paid less than the London Living Wage in line with the Mayor's announcement i.e. £9.15 per hour with effect from 3 November 2014.

## **3. Background information**

- 3.1 Since the Council's decision to pay the London Living Wage the council has implemented the annual increases in line with the date of the Mayor's announcement.
- 3.2 The table below sets out the number of staff who are currently in receipt of the London Living Wage allowance, the number who will receive it from 3 November 2014 and the estimated additional cost of this.

| <b>Estimated Cost Implications</b> |   |   |                           |
|------------------------------------|---|---|---------------------------|
|                                    | Current number of staff receiving LLW allow | Numbers who will receive it going forward | Additional cost per annum |
| Corporate                          | 96  | 134                                       | £54,000                   |
| Schools                            | 805   | 966                                       | £224,000                  |
| <b>Total</b>                       | <b>901</b>                                  | <b>1100</b>                               | <b>£278,000</b>           |



## **Haringey Council**

3.3 We are currently working with Hays our agency worker supplier to ensure that following this committee meeting they are ready to implement the increase to the London Living Wage to all relevant agency workers. The estimated additional cost of this is **£25,000** per annum

### **4. Comments of the Chief Finance Officer and financial implications**

4.1 The estimated financial impact of the recommendations is set out in section 3 above and the expectation is that these costs should be absorbed within existing budget provisions across the services affected.

### **5. Comments of the Assistant Director of Corporate Governance and legal implications**

5.1 The Assistant Director of Corporate Governance and Legal has been consulted on the content of this report and comments as follows: S112 of the Local Government Act 1972 provides that the Council may appoint staff on such reasonable terms and conditions of employment as the authority might determine. Having regard to the London Living Wage, as promoted by the Mayor of London's Office, in determining the rates of pay of the lowest paid employees within the authority is a reasonable consideration. The application of the London Living Wage to the rates paid to low earning agency staff is also a reasonable course of action in the light of the council's aims and strategies concerning poverty and economic well being.

### **6. Equalities and Community Cohesion comments**

6.1 The proposals are designed to ensure a reasonable quality of living for low paid staff and agency workers and their dependents living in London. This helps support the council's aims for tackling low income and poverty in the borough.

### **7. Head of Procurement comments**

7.1 Not applicable

### **8. Policy implication**

8.1 Not applicable

### **9. Use of appendices**

9.1 There are no appendices

### **10. Local Government (Access to Information) Act 1985**

10.1 No documents that require to be listed were used in the preparation of this report.