



## **REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES**

### **EMPLOYER OF CHOICE - LIVING WAGE UPDATE**

#### **Purpose of the Report**

1. To update the Personnel Committee on the Council's ongoing commitment to paying the national Living Wage Foundation rate.

#### **Information and Advice**

##### **Background**

2. Nottinghamshire County Council aspires to be an Employer of Choice which is able to compete to attract, recruit, develop and retain the skills it needs and to have a well-motivated, able and productive workforce which is fairly rewarded to enable it to meet its future business requirements.
3. Reflecting the Council's core strategic value of Treating People Fairly, this includes ensuring fair pay for all of its direct employees and modelling this as good and ethical employment practice to other employers who contribute to the local economy in Nottinghamshire.
4. As part of this ongoing commitment to fair pay, the Council has adopted the Living Wage Foundation pay rate. The Council implemented this, as an allowance, for its lowest paid frontline employees, the majority of whom are part time women workers, from 1st April 2014.
5. The Living Wage Foundation rate is aimed at addressing in work poverty and is independently calculated each year, overseen by the Low Pay Commission and can be adopted by employers on a voluntary basis.
6. This differs from this Government's "National Living Wage", introduced in April 2016, which is not calculated on the cost of living and currently stands at £7.20 an hour.

##### **Update**

7. The Living Wage Foundation rate is regularly reviewed nationally on an annual basis. The uprate is based on what employees and their families need to live on, based on the current cost of living. Increasing the individual spending power of the

Council's lowest paid employees, the majority of whom live in the County's most deprived areas, also benefits the local economy.

8. The Council has remained committed to applying the latest annual increase in the Living Wage Foundation rate. From November 2016, the national rate was increased by 20 pence an hour to £8.45p an hour.
9. This most recent increase will be applied to the wages of the Council's 2,748 lowest paid employees with effect from 1<sup>st</sup> November 2016 to bring their pay into line with the new rate.

### **Reasons for Recommendation**

10. To highlight to Personnel Committee the Council's ongoing commitment to ensuring fair pay for its employees and some of the benefits arising.

### **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Human Resources Implications**

12. The Council's Workforce Strategy for 2016-18 has its ambition to be an Employer of Choice as one of its four key themes, this includes an attractive and affordable pay offer which supports the Council to recruit, deploy and the retain key skills at all levels of the organisation.
13. Trades union colleagues are supportive and appreciative of the Council's continued commitment to the payment of the Living Wage Foundation Rate and the benefit to predominantly low paid women workers.

### **Financial Implications**

14. This will add an estimated additional cost of £373,000 to the Council's current wage bill which has been built into its overall budget provision.

### **RECOMMENDATION**

1. It is recommended that Members note that the Council will apply the latest Living Wage Foundation rate to ensure that all of its direct employees receive this as a minimum pay rate.

**Marjorie Toward**  
**Service Director – Customers and Human Resources**

**For any enquiries about this report please contact:**

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**Constitutional Comments (KK 16/11/16)**

15. The proposal in this report is within the remit of the Personnel Committee.

**Financial Comments (SES 16/11/16)**

16. The financial implications are set out in the report.

**Human Resources Comments (CLG 14/11/16)**

17. These are set out within the body of the report.

**Background Papers and Published Documents**

None

**Electoral Division(s) and Member(s) Affected**

All