

Real Living Wage

Background - About the Living Wage Foundation

The Living Wage Foundation is the institution at the heart of the independent movement of private, public and third sector businesses, organisations and people who believe that a hard day's work should mean a fair day's pay. They recognise and celebrate the leadership shown by the over 11,000 Living Wage Employers across the UK who voluntarily commit to ensure their staff earn a real Living Wage that meets the cost of living. The Living Wage Foundation are an initiative of Citizens UK.

The real Living Wage is calculated according to the cost of living in the UK and in London. Employers choose to pay this wage on a voluntary basis. The real Living Wage applies to all workers over 18 years old – in recognition that young people face the same living costs as everyone else. It enjoys cross party support.

The UK Living Wage for outside of London from Thursday 22nd September 2022 is £10.90 per hour. The London Living Wage is £11.95 per hour. These figures are calculated annually by the Resolution Foundation and overseen by the Living Wage Commission, based on the best available evidence on living standards in the UK and in London.

<https://www.livingwage.org.uk/>

A Good Employer

The Parish Council has recently stated its intent to work toward becoming a good employer. It should be said this was not because previously it was trying to be a poor employer. However, the terms of conditions of its staff were not subject to regular review most likely because the turn-over of staff was low and everyone's focus was on delivering on behalf of Clipstone. In the interim, staff's terms and conditions got left behind. This was evidenced in part by the Parish Council's struggle to employ a new Clerk when its long-standing Clerk resigned to take up a new position as a Town Clerk. During the intervening time there was recognition by the Parish Council that it needed to focus on staff. The Parish Council positively received and acted upon advice and so the journey toward being a better employer commenced. Accreditation to the Living Wage Foundation would ensure that the Parish Council never loses sight of its responsibilities to its most important asset – its staff.

Cost of Accreditation

The cost varies according to the size of organisation and starts at £60 per year for those with fewer than 10 employees.

Impact to Staffing Budget

All staff aged 18+ are paid above the threshold of the Living Wage of £10.90. Typically, the new rates are announced in November of each year and should be implemented as soon as possible but have until May of the following year to implement. This year's rate was announced in September to reflect the rise in the cost of living. This year's staffing budget will not be impacted by becoming an accredited employer. Next year's budget recommendation would make provision for the on-going support of being a Living Wage accredited employer.

Recommendation

The Personnel Committee is asked to support a recommendation to Council that it should seek accreditation to the Real Living Wage Foundation. This signals a clear intent by Council of its intentions to be a good employer and will provide confidence to staff that they will be paid fairly for a hard day's work.