

HR Committee

22nd September 2016



Report of: Service Director HR & Workplace

Title: Living Wage Foundation accreditation

Ward: N/A

Officer Presenting Report: Richard Billingham

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Recommendation

That the Committee notes this report.

Summary

The report updates the Committee on the Council's progress towards becoming accredited by the Living Wage Foundation.

The significant issues in the report are:

- The Council has a long-held ambition to become a Living Wage Employer, as accredited by the Living Wage Foundation.
 - The Council made backdated Living Wage Payments to staff from 2012 and has formally paid the UK Living Wage to its directly-employed staff since 1st October 2014.
- The Council submitted its application for accreditation to the Foundation on 22nd August 2016. Feedback from the Foundation is awaited.
- Achieving accreditation is dependent on agreeing "milestones" with the Foundation in respect of contracted-out services.
 - Retaining accreditation is dependent on successful delivery against the agreed "milestones".
 - Work to quantify the financial impact of paying the Foundation Living Wage to staff in contracted-out services is on-going.
 - An alternative approach to procurement in relation to the Foundation Living Wage is being considered.

Policy

1. It is the Council's stated ambition to become a Living Wage Employer, as accredited by the Living Wage Foundation.
2. The Council formally adopted the payment of the UK Living Wage to its directly-employed staff with effect from 1st October 2014.
3. As stated in the Council's current Pay Policy Statement, apprentices in their first year are paid £5 per hour. Apprentices in their second year are paid £5 per hour until they are 18 years old and then at the National Minimum Wage for their age. Apprentices in their third year are paid the UK Living Wage (as set by the Living Wage Foundation). An additional allowance of £25 per week is paid to apprentices who have left local authority care, and this is paid throughout their apprenticeship for as long as they live in independent accommodation.
4. Interns are not currently guaranteed to be paid the UK Living Wage, though the Living Wage Foundation would support doing so.

Consultation

5. **Internal**
None because this report is for information only.
6. **External**
None because this report is for information only.

Context

7. The Council submitted its application for Living Wage Employer accreditation on 22nd August 2016.
8. Achieving accreditation is dependent on agreeing "milestones" with the Foundation in respect of the Council's contracted-out services – particularly adult social services, "soft" facilities management services (such as catering, cleaning and security) and some transport services. The draft milestones included in the Council's submission are as follows:

Milestone	Target Date Using Reasonable Endeavours	Final Delivery Date
In line with QC's advice, continue our current practice of: 1. Asking contractors whether they pay or would be willing to pay the Foundation Living Wage, and if so what difference this would make to the contract price. 2. Not using this information to evaluate tenders. 3. Not obligating contractors to pay the Foundation Living Wage.	On-going	Until further notice
Conclude work with Skills for Care to establish the likely financial impact of paying the Foundation Living Wage to all c8,600 Council-funded social care workers in Bristol. Cabinet	December 2016	March 2017

then to make a decision on if/how this should be funded.		
Establish the likely cost of paying the Foundation Living Wage in “soft” facilities management (eg, catering, cleaning, security) and transport contracts where this is not already paid. Cabinet to make a decision on if/how this should be funded.	December 2016	March 2017

9. At the time of writing feedback on the Council’s submission is awaited from the Living Wage Foundation.
10. Retaining accreditation is dependent on successful delivery against the agreed milestones. Cabinet decisions will be required to achieve the milestones because the application of the Living Wage will increase the cost of some contracts, and this will need to be funded. Work to quantify the financial impact is on-going.
11. Procurement law prevents the Council from requiring its contractors to pay the Living Wage as set by the Living Wage Foundation – or using it as a criterion in tender evaluation - but as indicated in the table above QC’s advice allows us to ask if they would be willing to do so, and how doing so would change the contract price.
12. The Council is considering an alternative procurement approach in relation to the Living Wage (as used by the London Borough of Islington). Each procurement at Islington is accompanied by a report that assesses the legal risks as well as best value issues. The Foundation Living Wage is only "mandated" at the contract notice stage where it is considered that there is unlikely to be cross-border (ie, international) interest in the contract and where the Council is satisfied that best value will be achieved. Where the contract price is based on the payment of the Foundation Living Wage, Islington does not undertake contract monitoring, but has a clear whistleblowing policy that encourages staff and trade unions to alert them if an employee is not being paid at the correct rate. Islington has found that there are no significant increases in contract prices, except in the case of those for adult domiciliary social care. This is an area of significant spend for Bristol (c£120m per year).
13. Brexit offers the Government the opportunity to make changes to procurement law, much of which is set by the EU.

Proposal

11. That the Committee notes this report.

Other Options Considered

12. None because this report is for information only.

Risk Assessment

13. None because this report is for information only.

Public Sector Equality Duties

- 13a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker

considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

13b) No equality impact assessment has been undertaken because this report is for information only.

Legal and Resource Implications

Legal

No advice has been requested because this report is for information only.

Financial

(a) Revenue

No advice has been requested because this report is for information only.

(b) Capital

Not applicable.

Land

Not applicable.

Personnel

No advice has been requested because this report is for information only.

Appendices:

None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.