

	<h2>General Functions Committee</h2> <h3>15 January 2018</h3>
<p style="text-align: right;">Title</p>	<p>Barnet Living Wage Supplement</p>
<p style="text-align: right;">Report of</p>	<p>Graeme Lennon, Strategic HR Director</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>N/A</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Graeme Lennon, 020 8359 5080, Graeme.Lennon@Barnet.gov.uk</p>

<h3>Summary</h3>
<p>In 2013 the Council agreed to apply a minimum hourly rate of pay known as the Barnet Living Wage Supplement with effect from 1 October 2013. Since then the Barnet Living Wage Supplement has mirrored the London Living Wage. This report updates the Committee on the current London Living Wage hourly rate of pay as from 1 April 2018.</p>

<h3>Recommendation</h3>
<p>That the report is noted and that the minimum hourly rate paid by the Council to its staff will rise to £10.42 with effect from 1st April 2018 which is above the recommended London Living Wage rate of £10.20 per hour with effect from 1 April 2018.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 This report is needed to update the Council on both the Barnet Living Wage and the value of the London Living Wage.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The hourly rate of pay for the London Living Wage was increased in October 2017 to £10.20 per hour for participating organisations to apply on or before 1 April 2018. The national pay award for local government services offer increases the minimum Council rate of pay to £10.42 per hour with effect from the 1st April 2018 and therefore the Barnet Living Wage supplement is no longer needed as the Council will be paying above the London Living Wage.
- 2.2 Council agreed the 2018/19 pay policy statement earlier this month which states that:

‘The Council has developed a fair pay policy to ensure that it applies a minimum wage for Council employees.

“London Borough of Barnet is a fair pay employer and will apply the principles of a living wage (including taking into account the National Minimum Wage, National Living Wage, London Living Wage and national pay awards in the public sector), subject to affordability.”

Employees whose pay rate is less than the agreed amount will receive a pay supplement to bring their pay up to an equivalent of the published Barnet Living Wage rate. The minimum rate will be reviewed on an annual basis.’

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 As the Council has not sought formal accreditation to be a London Living Wage organisation the Council is under no obligation to apply the latest increase in the minimum hourly rate from £9.75 to £10.20 per hour.
- 3.2 These options have not been recommended taking into account the pay policy statement and the fact that the Council has mirrored the London Living Wage since 2013.

4. POST DECISION IMPLEMENTATION

- 4.1 The Barnet Living Wage of £10.42 will apply from 1 April 2018 to 31 March 2019. A report to this committee will be produced in February 2019 that updates members of the situation as it stands at that time.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council believes that no-one should do a hard day’s work for less than they can live on, and that all our staff deserve to be paid at least the Living Wage. Council considers that if everyone in London on low pay were paid at least the living wage it could potentially save the government money by increasing the tax base and reducing spend on welfare benefits.

5.1.2 In addition, the Council believes that the added benefit to the Council of paying at least the living wage include increased productivity and lower staff turnover, which would reduce recruitment costs.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.3.1 The London Living Wage increased from £9.75 to £10.20 per hour (5.6%) in October 2017. Accredited organisations have until 1 April 2018 to apply the revised value.

5.3 Social Value

5.4.1 Paying employees a living wage has a significant social benefit. It sends a signal to employees, prospective employees and the wider community that staff at the Council are important and valued assets.

5.4 Legal and Constitutional References

5.4.2 Council Constitution, Article 7 (Committees, Forums, Working Groups and Partnerships) – the terms of reference of the General Functions Committee includes responsibility for: Staff matters (i.e. salaries and conditions of service) other than those within the remit of Chief Officer Appointment Panel.

5.5 Risk Management

5.6.1 Not applicable

5.6 Equalities and Diversity

5.7.1 Ensuring the Council's pay arrangements are fair, equitable and comply with equalities legislation are key considerations. The impact of applying the London Living Wage is a positive one for staff and no one is adversely affected.

5.7 Consultation and Engagement

5.8.1 Not applicable

5.9 Insight

5.9.1 Not applicable

6 BACKGROUND PAPERS

6.1 None