

Report of the Director of Customer & Business Support Services

Extending the Living Wage to Casual Workers

Summary

1. This report asks for approval to pay the Living Wage to casual staff from 1 December 2013 to March 2014, in line with other casual staff employed through City of York Trading Ltd.

Background

2. On 4 December 2012 Cabinet agreed a recommendation as follows:

“To adopt an approach for paying a Living Wage for employees with council contracts (excluding apprentices and casual staff), based initially on a discretionary supplement, commencing from 1st April 2013.”

3. This decision was made in light of the financial and legal risks known at that time.
4. Since that decision was taken, there have been the following important changes:
 - On 4 June 2013 Cabinet agreed to transfer all of the council’s casual work to City of York Trading Ltd, to reduce overall costs of employing casuals to the council and to safeguard/grow employment opportunities for the casual workforce. This is being completed on a phased approach from September 2013 to March 2014.
 - City of York Trading Ltd has paid the Living Wage to its casual workers from 1 December 2013.

- The council became an accredited Living Wage Employer in November 2013 committing to pay the Living Wage to workers on its land and property.
5. Given that some casual staff will still be directly employed by the council during the period 1st December 2013 to 31st March 2014, those staff will still not be receiving the Living Wage, when other City of York Council staff and those engaged via City of York Trading Ltd will be receiving the Living Wage. This fundamentally breaches the commitment given as a Living Wage Employer in November 2013.

Consultation

6. Trade Unions have raised the issue of inequality of casual workers in not receiving the Living Wage.

Options

7. There are two options, either to reject or accept the recommendation in this report.

Analysis

8. The main implications of implementing a Living Wage for City of York casual workers (based on past experience) are:
 - An additional estimated cost to the council of £13,000 based on paying the 2012/13 Living Wage rate of £7.45 an hour.
 - Potential software changes for the payroll system but these changes will be small, less than £1k if incurred at all.

Council Plan

9. This report aims to address low pay and employment in the city under the priorities around Creating Jobs and Growing the Economy.

Implications

10.

10.1 Financial

The estimated costs are shown in Paragraph 8 above, based on past patterns of worked assignments, but the final actual costs will be dependent on numbers, types and pay levels of the total casual assignments undertaken. The figure could be higher or lower, and effective budget monitoring will be needed to ensure that the impact of any approvals from this report are managed within service budgets.

The £13,000 costs will be funded from the council's Contingency Fund for within the 2013/14 Financial Year.

Should any residual casual work remain within the council post-April 2014, for any reason, then any workers undertaking that work will be paid at the agreed Living Wage at that point in time, funded through service budgets.

10.2 Human Resources (HR)

All implications are outlined in the report.

10.3 Equalities

If approved the recommendation in this report will ensure fair treatment across casual worker groups, in line with Living Wage principles.

10.4 Legal

See Exempt Annex.

10.5 Crime and Disorder

None

10.6 Information Technology

Minimal as outlined in the report and will be funded from existing budgets for IT development.

10.7 Property

None

10.8 Other

None

Risk Management

11. If the recommendation in this report is not accepted:

- See exempt annex.
- There will be an employee relations risk as the Trade Unions are concerned about equality of treatment in relation to the Living Wage for casual workers.
- The council will not be seen as compliant with its Living Wage accreditation commitment.

Recommendation

12. The Cabinet Leader is asked to consider and approve the payment of the Living Wage for all casual work at the minimum rate of £7.45 per hour from 1 December 2013 to end March 2014.

Reason: To continue to deliver the council's commitment to address low pay, tackle in-work poverty and as a step towards reducing income inequality which, with the support of other employers in York, will deliver benefits to the whole community.

Contact Details

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Support Services

**Report
Approved**

Date 8th January
2014

Specialist Implications Officer(s) *List information for all*

Financial, Jean Lewis, Accountant
Legal, Andrew Docherty, Assistant Director.

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

Cabinet 4 December 2012 - Implementing the Living Wage
Cabinet 4 June 2013 - City of York Trading Ltd (CYT) Business
Development

Annexes

Exempt Annex