

Appointments Committee

Monday, 7th April, 2014
6.00 - 6.45 pm

Attendees	
Councillors:	Rowena Hay (Chair), Wendy Flynn, Colin Hay, Steve Jordan, Rob Reid, Duncan Smith and Simon Wheeler
Also in attendance:	Julie McCarthy and Amanda Attfield
Apologies:	Councillor Les Godwin and Councillor Robert Garnham

Minutes

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Godwin.

2. DECLARATIONS OF INTEREST

Councillors C Hay and Smith declared an interest as Board Members of the Leisure and Culture Trust and Cheltenham Borough Homes.

3. APPROVE MINUTES OF LAST MEETING

The minutes of the last meeting were approved and signed as a correct record.

4. LIVING WAGE

The Cabinet Member Corporate Services introduced the report and explained that the Living Wage was an hourly rate set independently of government and updated annually by the Centre for Research in Social Policy. It existed because almost 5 million people were currently paid below the Living Wage (20% of all workers) and it was a national initiative created 17 years ago to address poverty. The Living Wage was not about specific roles or jobs but was based on the amount an individual needed to earn to cover the basic costs of living. The Cabinet Member Corporate Services reported that within the South West as at November 2013 3 councils have implemented the policy, 3 were firmly committed, 16 were actively considering it and 7 were doing something else such as wider reviews of pay and grading structures whilst 6 have decided to take no action.

The Cabinet Member reported that as at November 2013 neighbouring authorities Cotswold decided not to commit at present, Forest of Dean had committed to implement this year, Gloucestershire County Council and Tewkesbury were considering it whilst Stroud and Gloucester City have already implemented it. It was therefore proposed that Cheltenham's status moved on from considering to implementing and it was recommended that the date for implementation be 1st October 2014. He explained that the date of 1 October 2014 would allow local CBC implementation not to fetter the discretion of what will be the newly formed Leisure and Culture Trust in making its own decision.

The Cabinet Member Corporate Services hoped that the adaptation and implementation of the living wage would perhaps enable an increased number

of the council's lower paid employees to both live and work in the town. In addition it would potentially lead to reduced absenteeism, increased productivity and improved employer of choice perceptions amongst future employees.

In response to a question the Cabinet Member Corporate Services clarified that the Living Wage would be paid as a salary supplement. He confirmed that the rate was set annually in November, and as such the supplement could be considered alongside the budget and Pay Policy Statement each year, and any revised agreed rate paid annually from 1 April each year. When asked whether the pay differential at the bottom end of the scale would be affected the Cabinet Member Corporate Services said that this would not be the case as it would be paid as a supplement.

The Human Resources Manager said that there were currently no employees below the Living Wage but there would be if there were any new appointments at the minimum of Grade B although this was likely to be very few. She clarified that the pay grades would remain the same as the Living Wage and would be paid as an allowance, therefore the integrity and fairness of the Council's Job Evaluation Scheme would be preserved.

A question was asked as to the impact on casual and agency staff. In response, the Head of Human Resources clarified that casual or agency staff had a different status, as the proposal covered employees, they would not be affected. Some councils had however applied to adopt the Living Wage for agency workers as well at the point of taking up employment (agency workers did have the right to pay equivalence after 12 continuous weeks of working with the same employer).

A discussion then ensued on whether the council should wait until 1 October to implement the Living Wage when it did not apply to casual workers and agency staff. The Human Resources Manager explained that with current staffing there were no direct employees of CBC below the Living Wage. However in the transition period, i.e. between now and the start date of the Leisure and Culture Trust, the council could still recruit to posts which could be in the proposed Leisure and Culture transfer pool. The Head of Human Resources asked the committee to consider the merits of fettering with the Leisure and Culture Trust's ability to make its own decision on the matter in the future.

A question was also raised regarding whether there would be any impacts on Ubico and CBH staff as a result of the council's applying the Living Wage to its employees. In response the Head of Human Resources stated that Ubico and CBH were separate employers with different terms and conditions, and no particular issues were envisaged.

The Head of Human Resources clarified that that the Living Wage rate was set annually in November. If it was agreed to be paid as a supplement from 1 October, it could commence that date and following the new rate announced in November (set by an external body), the first review of the allowance would then take place in February 2015 as part of the Pay Policy statement (and budget cycle) and annually thereafter. In this way, the review of the allowance would form part of the budget setting process each year, with the council being able to keep the Living Wage supplement payment under review.

As a point of clarification, the Head of Human Resources also made reference to Living Wage accredited employer status whereby an employer could undertake to influence its supply chain. This was a different issue which could have direct consequences on the cost base and key processes such as procurement, but could be looked at in the future. The Living Wage Foundation made provision for councils by way of “milestones” in accreditation recognising that local authorities often awarded contracts of long duration.

In response to a question the Head of Human Resources stated that should the Council apply the Living Wage immediately the Leisure and Culture Trust would be bound to pay the supplement to any employees who subsequently transferred to the Trust under TUPE, but not by any subsequent decision on the allowance that the Council might determine. A member stated that as any financial position of the Leisure and Culture Trust was underwritten by the Council it could be that the Council would be under the obligation to pay any funding. The Head of Human Resources stated that the Trust would inherit the terms and conditions of any staff who transferred at the point of transfer and would be bound to honour them.

Members recognised the benefits of implementing the Living Wage in terms of retention, reduction in absenteeism and higher productivity. There were some differences of opinion as to when it should be implemented. Upon a vote 4 members voted in favour of a 1 October implementation date, 2 in favour of an April implementation date with 1 in favour of either date.

RESOLVED THAT

- 1. the Living Wage pay rate be adopted by the Council as a discretionary supplement to the basic un-enhanced hourly rate for any employees appointed on a spinal column point below the Living Wage**
- 2. the Living Wage be implemented from 1st October 2014, to be then reviewed annually thereafter as part of the Pay Policy statement (and budget cycle), with the first review to be February 2015, acknowledging that the Living Wage rate is set annually in November.**
- 3. should, for any reason, the Cheltenham Leisure and Culture Trust effective start-up date be other than 1st October 2014, a sub committee (to include the chair) would review the effective date of implementation of the Living Wage for Cheltenham Borough Council, in consultation with the Cabinet Member Corporate Services.**
- 5. ANY OTHER BUSINESS THE CHAIR DETERMINES IS URGENT AND REQUIRES A DECISION**
None.
- 6. DATE OF NEXT MEETING (IF NECESSARY)**
TBA

Rowena Hay
Chairman