

Agenda

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Oxford Living Wage Review Group

Date: **Tuesday 3 October 2017**

Time: **5.00 pm**

Place: **St Aldate's Room, Town Hall**

For any further information please contact:

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As a matter of courtesy, if you intend to record the meeting please let the Contact Officer know how you wish to do this before the start of the meeting.

Oxford Living Wage Review Group

Membership

Chair

Councillor Mark Ladbrooke

Councillor Angie Goff

Councillor Ben Lloyd-Shogbesan

Councillor Dan Iley-Williamson

Councillor David Thomas

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AGENDA

Pages

1 WELCOME AND INTRODUCTIONS

The Chair will open the meeting.

2 APOLOGIES

3 EXTERNAL CONTRIBUTIONS

The Review Group have asked to invite evidence from employers, business groups, workers who are directly affected by low pay, and agencies, professionals and faith groups in the city that support low paid workers.

The following people have agreed to attend this meeting to speak to the Review Group about issues related to low pay and the promotion of the Oxford Living Wage. The Chair will ask each external guest to speak for up to 5 minutes.

- Emma Kosmin, Living Wage Foundation (slides included)
- Paul Medley, Chair of Trustees, Oxford Food Bank
- Fred Hanna, Unite the Union
- Ian Woodlands, Unite the Union

7 - 20

4 PLENARY SESSION

Invited:

- Emma Kosmin, Living Wage Foundation (slides included)
- Paul Medley, Chair of Trustees, Oxford Food Bank
- Fred Hanna, Unite the Union
- Ian Woodlands, Unite the Union
- Mish Tullar, Head of Comms, OCC
- Justin Thorne, HR Resourcing Business Partner, OCC

An open discussion on implementing the Oxford Living Wage across the city in which the Review Group may wish to explore the following lines of inquiry:

- *What are the impacts of low pay on individuals and communities in the city; how widespread is this issue and in which sectors?*
- *What are the barriers to large and small employers in the city adopting a living wage policy?*
- *Would a Kitemarking system for the 'Oxford Living Wage' be workable?*
- *Is the Oxford Living Wage the best and most appropriate living wage rate for the Council to pay and promote more widely?*
- *What more could the Council do to promote the payment of a living wage and make it unacceptable for other employers in the city to not do so?*
- *Are there opportunities to strengthen encouragement to contractors and sub-contractors to pay a living wage? If not, what are the barriers? If so, what are the risks?*
- *What more could the Council do to publicise a living wage through*

publicity and communications such as Your Oxford, etc.?

5 CALL FOR EVIDENCE

21 - 26

The Review Group have asked to issue a call for evidence in the form of a survey which will be made available on the Council's consultations webpage.

The Review Group are asked to approve the draft survey, subject to advice from the Council's Consultation and Engagement Officer.

6 NOTES OF PREVIOUS MEETING

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The notes of the previous meetings are included for reference.

7 DATES OF FUTURE MEETINGS

Meetings are scheduled as follows:

17 October 2017, 2pm
1 November 2017, 5pm

DECLARING INTERESTS

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

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The logo for the Living Wage Foundation features the text "Living Wage Foundation" in a white, serif font, centered within a large blue circle. This blue circle overlaps with a green circle, which in turn overlaps with a yellow circle. A smaller orange circle is partially visible behind the green one.

*Living
Wage
Foundation*

Emma Kosmin
Programme Manager
Living Wage Foundation

Agenda Item 3

Living Wage Foundation



The Living Wage Foundation recognises and celebrates the leadership shown by Living Wage Employers across the UK.

- **Accreditation** - Recognition through the Living Wage employer mark. Also run a Service Provider Recognition Scheme for those providing staff in lowest pay sectors.
- **Intelligence** – Advice and support on how to implement the Living Wage.
- **Influence** – Public forum to support the Living Wage including Living Wage Week each November.

Our Principal Partners



6 Resolution Foundation



Linklaters



OXFAM



Trust for London
Tackling poverty and inequality

BURBERRY



What is the Living Wage?



- Hourly rate independently-calculated each year based on what employees and their families need to live
- Takes into account a basket of goods and services – based on Minimum Income Standards

The Living Wage

£8.45

UK rate

£9.75

London rate

The only rates calculated based
on the real cost of living



The real Living Wage

The minimum wage:
government minimum for
under 25s

National Living Wage:
government minimum for
over 25s

Real Living Wage: The
only wage rate based on
what people need to live

£7.05

£7.50

£8.45 across the UK and
£9.75 in London

11

Is it the law?

Statutory

Statutory

Voluntary

What age group is covered?

21 and older

25 and older

18 and older

How is it set?

Negotiated settlement
based on recommendations
from businesses and
trade unions

A % of median earnings,
currently at 55% it aims to
reach 60% of median
earnings by 2020

Calculation made according
to the cost of living, based
on a basket of household
goods and services

Is there a London weighting?

No London weighting

No London weighting

Yes - there is a separate
higher rate for London

What is Living Wage accreditation?



- Mark of a responsible employer
- Accredited Living Wage employers commit to:
 - ✓ pay all directly employed staff the Living Wage
 - ✓ having a plan in place to roll the Living Wage out across third party contracts as they come up for renewal, usually over 2-3 years
 - ✓ The Living Wage applies to people who deliver services on the premises e.g. catering, cleaning, security

Our employers



OLIVER BONAS



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wellcome trust



nationalgrid

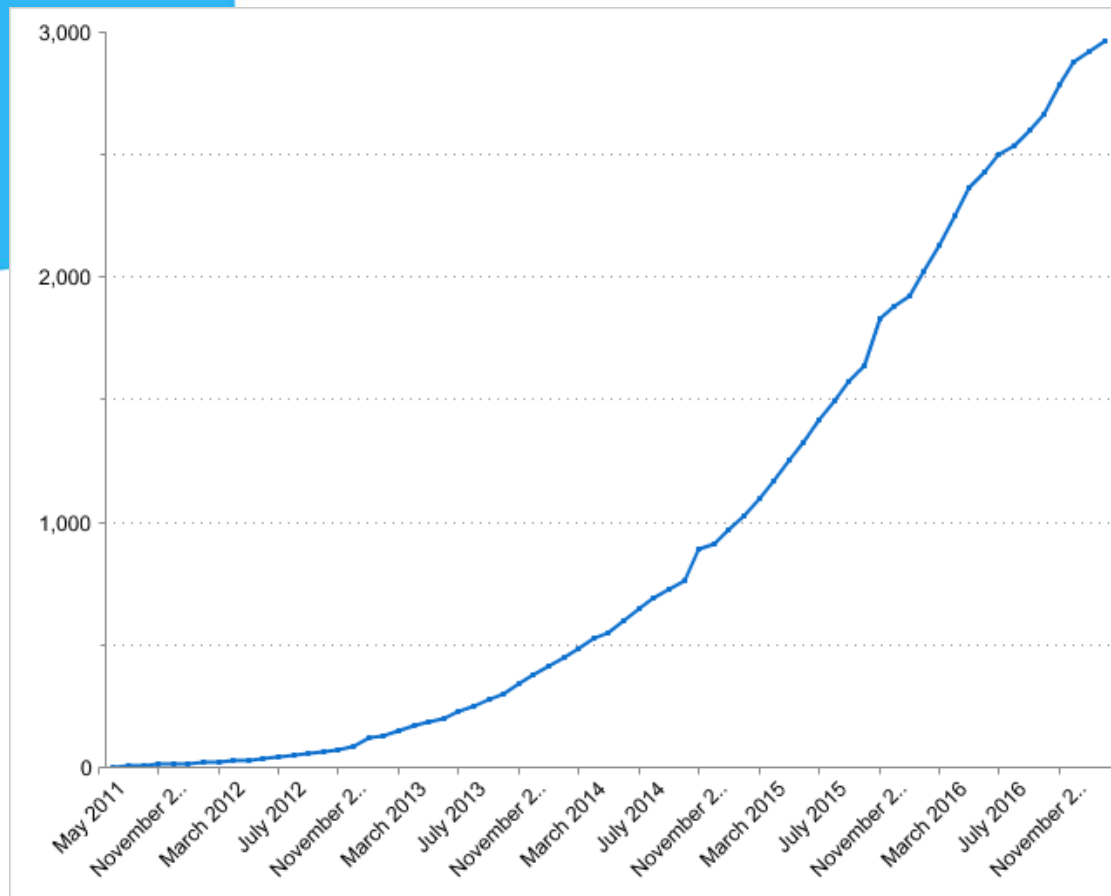


COMIC RELIEF

Sotheby's



Living Wage Growth



- Over **3,300** employers
- Over **150,000** staff uplifted
- **30%** FTSE 100
- Breakthroughs in low paying sectors: IKEA, Oliver Bonas, Majestic Wine
- Doubled since NLW announced
- **85** Local Authorities accredited in the UK

Procurement UK wide



15





Why Accreditation Matters

Long term **commitment** to the rates

Accredited employers **update** each year, ensuring all workers will always earn the Living Wage

They get the Employer Mark which gives consumers, users and clients a clear sign of their status as a **responsible employer**

It builds our movement, demonstrates **leadership** and encourages other employers to get on board and sign up

Living Wage Week



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Heating on Minimum Wage.



Heating on Living Wage.



The Living Wage means low-paid workers can finally start to save. Show your support at livingwage.org.uk





Business benefits

- **93%** of employers reported they had gained as an organisation after becoming a real Living Wage employer
- **76%** of large Living Wage employers reported improved retention
- **64%** of accredited organisations felt that accreditation differentiated them from others in the same industry
- **80%** of employers felt that the Living Wage had increased consumer awareness of their commitment to be an ethical employer
- **7 out of 10** of consumers said they would consciously shop in favour of a Living Wage accredited retail chain

Living Wage and Local Authorities



We work with a range of Councils to promote the Living Wage across towns and cities, through:

- Targeted outreach
- Business engagement / networking events
- Business Rates schemes
- Living Wage Friendly Funder scheme
- Celebrating Living Wage Week
- Announcing new employers going LW



Thank you



Please contact:

Emma Kosmin
Programme Manager
Living Wage Foundation

020 7043 9882

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@LivingWageUK

Scrutiny call for evidence: Oxford Living Wage

Background

A cross-party panel of ‘backbench’ councillors has been formed to investigate the impacts of low pay in the city and the promotion of the ‘Oxford Living Wage’.

Councillors are keen to hear from anyone who has experience or views that could help to inform their findings and recommendations, including but not limited to:

- Low paid workers;
- People who have benefited from being paid a living wage;
- Large and small employers that operate in the city;
- Business groups;
- Agencies and faith groups that support people on low pay;
- Trade unions.

The legal minimum hourly rates that workers can earn in the UK are set out below. There are different minimum hourly rates for workers of different ages. If an employee aged 25 or over works a 38 hour week on the legal minimum wage, their annual salary will be £14,434.

	25 and over	21 to 24	18 to 20	Under 18
Hourly rate	£7.50	£7.05	£5.60	£4.05
Salary (38 hour week)	£14,434	£13,696	£11,096	£8,025

Oxford has been identified as being one of the least affordable cities in the UK in which to live because the high cost of housing is out of step with local wages.

The Living Wage Foundation promotes the payment of the Living Wage, which is based on the cost of living and is currently £8.45 per hour outside of London and £9.75 per hour in London.

The City Council has set a separate “Oxford Living Wage” which is currently £9.26 an hour. If an employee works a 38 hour week, this would mean annual pay of £18,303.

The Oxford Living Wage is paid to all council staff and agency workers working for the Council. The Council also requires its major contractors to ensure that their employees who are working on Council projects are also paid the Oxford Living Wage.

To give us your views, please complete the survey by clicking on the link below.

1

Have you read the background information about the Oxford Living Wage?

Yes

No

Don't know

2

Are you responding on behalf of an organisation?

Yes

No

3

If you answered yes to Question 2, on behalf of which organisation are you responding?

(text box)

4

To what extent do you agree or disagree that low pay is a significant issue affecting the city or its people?

Strongly agree

Agree

Neither agree or disagree

Disagree

Strongly disagree

5

If you agree that low pay is a significant issue affecting the city or its people, please can you describe any experience you have of the impacts of low pay in Oxford?

(text box)

6

The legal minimum wage for employees aged 25 or over is £7.50 per hour (£14,434 per year). Do you think the legal minimum wage is high enough to meet the basic needs of a person or family living and working in Oxford?

Yes

No

Don't know

7

The legal minimum wage for employees aged 21 to 24 is £7.05 per hour (£13,696 per year). Do you agree with the principle that the legal minimum wage should be lower for employees aged 24 and under?

Yes

No
Don't know

8

The legal minimum wage for employees aged 18 to 20 is £5.60 per hour (£11,096 per year). Do you agree with the principle that the legal minimum wage should be lower for employees aged 20 and under?

Yes
No
Don't know

9

Thinking about the relatively high cost of living in Oxford, to what extent do you agree or disagree with the principle that the City Council should pay its employees more than the legal minimum?

Strongly agree
Agree
Neither agree or disagree
Disagree
Strongly disagree

10

To what extent do you agree or disagree with the principle that other large employers in the city should be encouraged to pay their employees more than the legal minimum?

Strongly agree
Agree
Neither agree or disagree
Disagree
Strongly disagree

11

To what extent do you agree or disagree with the principle that smaller employers in the city should also be encouraged to pay their employees more than the legal minimum?

Strongly agree
Agree
Neither agree or disagree
Disagree
Strongly disagree

12

The Living Wage Foundation promotes the payment of the 'Living Wage' which is based on what people need to live and is £8.45 per hour (£16,743 per year) for employees of all ages outside of London. Do you think the Living Wage is high enough to meet the basic needs of a person or family living and working in Oxford?

Yes
No
Don't know

13

Thinking about the cost of living in Oxford, to what extent do you agree or disagree that the Council should promote the payment of a wage rate that is higher than the Living Wage for the rest of the country (outside of London)?

Strongly agree
Agree
Neither agree or disagree
Disagree
Strongly disagree

14

The City Council promotes payment of the 'Oxford Living Wage' which is £9.26 per hour (£18,303 per year) for employees of all ages. Do you think the Oxford Living Wage is high enough to meet the basic needs of a person or family living and working in Oxford?

Yes
No
Don't know

15

The rate of the Oxford Living Wage has been set at 95% of the 'London Living Wage', which is based on what people need to live in London. To what extent do you agree with the principle of linking the Oxford Living Wage with the London Living Wage in this way?

Strongly agree
Agree
Neither agree or disagree
Disagree
Strongly disagree

16

Which of the following wage rates do you think the City Council should pay its employees as a minimum?

The London Living Wage - £9.75 per hour
The Oxford Living Wage - £9.26 per hour
The Living Wage - £8.45 per hour
The legal minimum - £7.50 per hour for over 25s

17

Do you think the City Council should have a role in promoting the payment of higher wages by other employers based in the city?

Yes
No
Don't know

18

If you answered yes to Question 17, which of the following wage rates do you think the Council should promote to other employers based in the city?

The London Living Wage - £9.75 per hour
The Oxford Living Wage - £9.26 per hour
The Living Wage - £8.45 per hour
The legal minimum - £7.50 per hour (for over 25s)
None of the above

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Please use this space to make other comments on the issue of low pay.

(text box)

Finish

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MINUTES OF THE OXFORD LIVING WAGE REVIEW GROUP SCOPING MEETING

Tuesday 1 August 2017

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COUNCILLORS PRESENT: Councillors Iley-Williamson, Ladbroke (Chair) and Thomas.

OFFICERS PRESENT: Amanda Durnan (Strategic Procurement and Payments Manager), Matt Peachey (Economic Development Manager), Bruce Thompson (Building Ops Manager), Andrew Brown (Scrutiny Officer).

1. SCOPE OF OXFORD LIVING WAGE SCRUTINY REVIEW

The Economic Development Manager advised that there is no clear picture of which employers pay the Oxford Living Wage (OLW). The top 100 employers in Oxford employ almost 70,000 people in total, which represents over half of all the jobs in the city, so a focus on those employers is likely to make the biggest difference. The Review Group heard that the Westgate Oxford Alliance does pay the OLW but does not require or ask their tenants to do the same.

The Review Group questioned how the Council's policy of ensuring that contractors pay the OLW has been enacted. The Strategic Procurement and Payments Manager advised that potential suppliers are asked to self-certify that they (and their subcontractors) pay the OLW. However, the Council has no mechanism for verifying this. It is not possible to include payment of the OLW as a qualifying question in procurement processes or to judge tenders on this basis. The Review Group asked to see the legal advice to better understand what the barriers are. Members thought there might be an opportunity to work the OLW into quality standards in a way that can't be disregarded and asked for legal advice on how far it is possible to encourage payment of the OLW through procurement. The Review Group also noted that there might be an opportunity to identify good practices from other councils.

The Review Group members agreed that the OLW review should have two main aspects: the Council's direct business (including employment, contracts and regulation) and wider education and engagement with employers based in the city. It was also agreed that the review should seek to describe the size of the problem in human terms and include the testimony of individuals impacted by low wages, and of those who have personally benefited from the introduction of the Oxford Living Wage.

The Review Group noted that the Living Wage Foundation already accredits employers who pay the Living Wage or the London Living Wage rate and that replicating this system for the Oxford Living Wage would have resource implications. The Review Group also note that the payment of low wages in

Oxford create costs to the Council in other ways, e.g. through the payment of benefits such as Discretionary Housing Payments to low income households.

The Review Group suggested that outcomes of the review could include the following (in addition to those listed in the paperwork):

- A Council campaign to promote higher wages with some measurable uptake.
- Heightened awareness of the problem of low pay and how employees can raise concerns and access support services.
- A list of employers who pay the Oxford Living Wage.
- A portfolio responsibility for tracking numbers of employers who pay the OLW.
- The Council reaffirms its commitment to working with living wage campaigners

The Review Group agreed that it would be useful to speak to the following people at future meetings (in addition to those listed in the paperwork):

- A representative of the Living Wage Foundation
- Jim Hewitt, Blackbird Leys Credit Union
- Mark Fransham, Social Researcher
- A representative of the Council's Communications Team
- Employees impacted by low pay
- Employees who have benefited from being paid the OLW
- Anti-poverty campaigners

The Review Group agreed to request written testimony either to an email address or via a web survey. Elected members would also be asked to contribute examples of case work relating to the impacts of low pay.

The Review Group agreed to look at the possibility of meeting on 12 September and to hold at least one meeting at an earlier time of day.

The meeting started at 5.00 pm and ended at 6.40 pm

MINUTES OF THE OXFORD LIVING WAGE REVIEW GROUP

Tuesday 12 September 2017

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COUNCILLORS PRESENT: Councillors Goff, Iley-Williamson, Ladbrooke (Chair), Lloyd-Shogbesan and Thomas.

OFFICERS PRESENT: Andrew Brown (Scrutiny Officer)

2. WELCOME AND INTRODUCTIONS

The Chair opened the meeting and said that the Review Group should use the time to plan ahead.

3. APOLOGIES

None.

4. SCOPE OF THE REVIEW

The Review Group noted that the Scrutiny Committee had agreed the terms of reference for their review.

5. BACKGROUND DOCUMENTS

The Panel commented that the first and third clauses of the motion passed by Council in 2007 had been fulfilled but that further progress would be welcome on the second clause, which was about wider promotion of the living wage to ensure that every worker in the city earned a living wage.

The Panel also noted that they were not the first group to push this issue – the Scrutiny Committee and other scrutiny panels had previously made recommendations about promoting the Oxford Living Wage more widely.

6. EXTERNAL CONTRIBUTIONS

Dr McManners was not present at the meeting. The Review Group agreed to invite representatives of the following organisations to future meetings:

- The retailer John Lewis
- The major bus companies operating in the city
- A2Dominion property group
- The emerging local living wage campaign
- The Citizens' Advice Bureau

7. PLENARY SESSION

The Review Group thought there would be some merit in focusing promotion of the OLW on employers whose operations are focused on Oxford as they are more likely to have flexibility to vary their wage rates compared to employers who operate across the country.

The Review Group also expressed support for the idea of having an OLW logo with the authority of the Council behind it. It was suggested that the Council could consider allocating funding for 2 years to get a scheme off the ground.

8. LEGAL ADVICE

The Review Group noted the legal advice and agreed to invite a legal officer to a future meeting to further explore what more was possible in terms of encouraging and requiring contractors and subcontractors to pay the Oxford Living Wage and what the risks and constraints were.

9. PAYROLL MODELLING

The Scrutiny Officer explained that at the Chair's request he had sought advice from Payroll about what the cost implications would be of the Council raising minimum salaries to the level of the London Living Wage (£9.75 per hour) and to £10 per hour.

He said the cost of raising wages to £9.75 an hour, including additional pension and National Insurance contributions, would be a maximum of £39,240 per year.

To raise wages to a minimum of £10 per hour would benefit 57 staff and cost a maximum of £76,972 per year.

These figures were in the context of a net budget requirement of approximately £20m and gross annual service expenditure in the order of £80m-£100m (of which about £55m related to employee expenses).

The Review Group also noted that the Council's leisure partner Fusion Lifestyle paid its staff the Oxford Living Wage and made a charge back to the Council but these figures only related to staff employed directly by the Council.

The Review Group also noted that approximately half of the Council's total workforce would be TUPE transferred to the new trading company on their existing terms but that the company may decide in future to offer alternative employment terms to new starters and transferred staff (however there was no suggestion the company would want to pay less than the Oxford Living Wage).

10. CALL FOR EVIDENCE

The Review Group requested an online survey asking people about their views on whether they think there should be an Oxford Living Wage and the rates of the OLW, the National Living Wage for over-25s and the rate for under-25s.

The Review Group asked to see the survey and press release before they are issued and suggested that the Chair appears on the local radio.

11. NOTES OF PREVIOUS MEETING

Agreed.

12. DATES OF FUTURE MEETINGS

Noted.

The meeting started at 5.00 pm and ended at 6.15 pm

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