

To: City Executive Board

Date: 12 March 2015

Report of: Scrutiny Committee

Title of Report: Oxford Living Wage

Summary and Recommendations

Purpose of report: To present comments from the Scrutiny Committee

Key decision? No

Scrutiny Lead Member: Councillor Simmons, Chair of Scrutiny Committee

Executive lead member: Councillor Bob Price, Leader and Executive Member for Corporate Strategy, Economic Development and Planning

Policy Framework: Corporate Plan 2015-2019

Recommendations of the Scrutiny Committee to the City Executive Board:

1. We recommend that the City Council surveys all suppliers to measure compliance with paying the Oxford Living Wage.
2. We recommend that the City Council reviews whether the Oxford Living Wage should continue to be set at 95% of the London Living Wage.
3. We recommend that the City Council seeks to increase apprentice pay in the next budget round.
4. We recommend that the City Council actively explores the merits of incentivising businesses to pay the Oxford Living Wage through offering business rate discounts.
5. We recommend that the City Council seeks to be more pro-active in engaging with employers and encouraging them to pay the Oxford Living Wage. This could also involve raising the profile of the Oxford Living Wage on the City Council website and listing employers that have committed to paying it.

Introduction

1. The Scrutiny Committee requested a report to update members on the implementation of the Council's commitment to paying the Oxford Living Wage internally and across the supply chain. The Committee would like to thank Jarlath Brine and Jane Lubbock for preparing this report and answering questions.

Summary and recommendations

2. The Committee asked how the City Council monitors the compliance of suppliers on an on-going basis. Information is available from employment agencies and construction firms but other contracts aren't currently monitored in this way.

Recommendation 1 – We recommend that the City Council surveys all suppliers to measure compliance with paying the Oxford Living Wage.

3. The Committee questioned the rationale for setting the Oxford Living Wage at 95% of the London Living Wage and suggest that this approach is revisited.

Recommendation 2 – We recommend that the City Council reviews whether the Oxford Living Wage should continue to be set at 95% of the London Living Wage.

4. The Committee noted that the City Council's apprentices are paid less than the Oxford Living Wage and heard that apprentices are paid at least £4.50 per hour. This is higher than the national minimum level of £2.73 for 16-18 year olds and those over 18 in their first year of an apprenticeship. It would not be possible to increase apprenticeship pay within the current budget allocation.

Recommendation 3 – We recommend that the City Council seeks to increase apprentice pay in the next budget round.

5. The Committee noted Brent's Living Wage offer to businesses for discounts of up to £5k off their rates if they pay all staff a living wage, and suggest that the City Council considers offering similar incentives.

Recommendation 4 – We recommend that the City Council actively explores the merits of incentivising businesses to pay the Oxford Living Wage through offering business rate discounts.

6. The Committee also considered how the City Council can promote the benefits of paying the Oxford Living Wage more widely, and whether there is scope to do more.

Recommendation 5 – We recommend that the City Council seeks to be more pro-active in engaging with employers and encouraging them to pay the Oxford Living Wage. This could also involve raising the profile of the Oxford Living Wage on the City Council website and listing employers that have committed to paying it.

Executive response

Recommendation	Agreed? (Y / N / In part)	Comment	Board Member / Lead Officer
1. We recommend that the City Council surveys all suppliers to measure compliance with paying the Oxford Living Wage.	yes	We should make every effort to ensure that our contractors are paying the Living Wage, but it may be difficult to achieve a full coverage of the very large number of suppliers, some of which provide very small volumes.	Cllr Bob Price / Simon Howick & Jane Lubbock
2. We recommend that the City Council reviews whether the Oxford Living Wage should continue to be set at 95% of the London Living Wage.	yes	The original figure was determined on the basis of a comparison of housing and transport costs in Oxford and London. It should be possible to repeat that exercise.	Cllr Bob Price / Simon Howick & Jane Lubbock
3. We recommend that the City Council seeks to increase apprentice pay in the next budget round.	no	This issue was considered carefully at the time of the decision on apprentice pay. The current apprenticeship rates are well above the national rates, but a move to the OLW would result in a reduction in the number of apprenticeships.	Cllr Bob Price / Simon Howick & Jane Lubbock
4. We recommend that the City Council actively explores the merits of incentivising businesses to pay the Oxford Living Wage through offering business rate discounts.	yes	We should consider this, but there are difficult issues of practical implementation as well as a potentially significant cost to the Council's budget.	Cllr Bob Price / Simon Howick & Jane Lubbock
5. We recommend that the City Council seeks to be more pro-active in engaging with employers and encouraging them to pay the Oxford Living Wage. This	yes	As the portfolio holder, I have written to all the major employers to encourage them to pay the Living Wage and have engaged with many of them in the course of my	Cllr Bob Price / Simon Howick & Jane Lubbock

could also involve raising the profile of the Oxford Living Wage on the City Council website and listing employers that have committed to paying it.		visits to them over the past two and a half years. The suggestions about the website and employer listings are very good ones and will be adopted.	
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List of background papers: None