

MINUTES OF THE OXFORD LIVING WAGE REVIEW GROUP

Tuesday 3 October 2017

www.oxford.gov.uk



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

OFFICERS PRESENT: Mish Tullar (Corporate Policy, Partnership and Communications Manager), Justin Thorne (HR Resourcing Business Partner), Steph Nichols (HR Business Partner), Andrew Brown (Scrutiny Officer).

GUESTS PRESENT: Emma Kosmin (Living Wage Foundation), Paul Medley (Oxford Food Bank), Fred Hanna and Ian Woodlands (Unite the Union).

13. WELCOME AND INTRODUCTIONS

The Chair opened the meeting.

14. APOLOGIES

Apologies were received from Councillor Angie Goff.

15. EXTERNAL CONTRIBUTIONS

The Living Wage Foundation Programme Manager said that the Foundation operated an accreditation system across the UK with a public kite mark. The Living Wage rate applied to the whole country outside of London, which had a separate London Living Wage rate, and was intended to be a floor. The rate of the Living Wage was calculated annually based on the cost of living and feedback from families about what items should be factored in to the calculation. Accredited employers pledged to pay the Living Wage to all employees aged over 18 and third party contractors. In doing so, employers signed a legal license agreement form. Around 3,000 UK employers had committed to paying the Living Wage. There was also a whistle blowing mechanism. On 6 November the Foundation would be publishing pay data and the newly calculated living wage rates. There was both a moral case and a business case for paying the Living Wage. The Foundation worked with businesses large and small in a number of ways and had lots of tools and resources. These included:

- A database and interactive map of businesses that pay the Living Wage;
- Legal guidance for public and private sector organisations on the Social Value Act 2012;
- A franchise model for accreditation (Scotland, Wales, Jersey, Hong Kong);
- An online shop;
- Digital packs;

- Guidance on applying the Living Wage to grant-funded posts (the 'Friendly Funders' scheme);
- A Living Wage people's movement.
- Social media;
- Mailing lists;
- Negotiation training.

The Review Group heard that 85 local authorities were accredited Living Wage employers but no other councils promoted their own rate that was different from both the Living Wage and the London Living Wage (which reflected the established system of 'London weighting'). The Living Wage Commission, which oversaw the methodology of the Living Wage, could listen to Oxford's case but there were complex factors to consider and the evidence suggested that accrediting one rate (outside of London) was the best and most successful approach. The UK kite marking system was a front runner internationally due to its simplicity. There was a need to listen to employers in the city, many of whom will operate across the UK, and to carefully consider the evidence base in determining which living wage rate was right for Oxford.

The Oxford Food Bank Chair of Trustees explained that his organisation collected surplus food and distributed it to over 80 organisations based in and around the city which were in contact with people experiencing low pay, unemployment and homelessness. Its operations had expanded over the last six months and were expected to continue to do so. Oxford Food Bank was volunteer-led but had a small staff team who were paid above the Living Wage. This was reflective of the cost of living in the city and the charity's wishes to give staff responsibility and to retain them. It was estimated that for every £1 donated, £20 worth of food would be distributed.

The Regional Officer of Unite the Union said that he negotiated on behalf of BMW workers and was proud of their terms and conditions. There were issues in terms of some contractors (not all of which recognised the union) not paying the Living Wage. The employees affected were typically cleaners, caterers and security staff. The Living Wage was built into tenders but it was very difficult to get up to the Oxford Living Wage because multi-year contracts were let at a fixed price. The contracting company would say they were not the employer and were hampered by the contract. This was typical from big employers who made very significant profits and could afford to pay a living wage. He said that in his experience, one of the more effective approaches was to embarrass employers.

The Regional Political Officer of Unite the Union said that the challenges were greatest in the traditionally insecure and low paid professions such as retail, construction, catering, etc., because the outsourcing of these services tended to create a race to the bottom in terms of pay. Since the Council passed its living wage motion there had been significant changes in employment patterns in South East England, in both the public and private sectors, including the rise of self-employment and insecure work. Economic growth had not translated into wage increases. The access trade unions had to potentially vulnerable workers was very restricted. The construction sector was a particular challenge due to the casual and short term nature of employment on particular projects.

16. PLENARY SESSION

The Council's HR Resourcing Business Partner said that following the Council motion the lowest pay grades had been removed to ensure that no employees were paid below the Oxford Living Wage (OLW). The lowest salary was currently equivalent to an hourly rate of £9.49 and this would rise to £9.79 from April 2018. It was difficult to enforce the payment of the Oxford Living Wage by contractors. In the case of Fusion Lifestyle it had not been included as a contractual obligation so the Council paid the difference. The Council had no zero hours contracts but did have some casual contracts e.g. for seasonal youth engagement work, and there was no obligation on these workers to accept the hours offered. Casual employees were paid at least the OLW and after 13 weeks they have a right to be paid the equivalent of permanent staff.

The Corporate Policy, Partnership and Communications Manager added that the Council had insisted on the payment of the OLW through large projects such as the Westgate redevelopment and the Barton joint venture. Living Wage Week presented a clear opportunity for the Council to state what it does and promote the OLW. Any wider campaigning would need to be driven by the Council's leadership but it would be possible, although resource intensive, to get the message out there by proactively targeting employers. A powerful campaign was possible but there was a need to be thoughtful and sensitive to the Council's partners. There was no register of employers who pay the OLW. If Oxford decided to move to the London Living Wage it would still be an outlier and this would be a confusing message to get across to employers from a communications perspective.

In discussion the Review Group also noted that:

- Local authorities had no levers to require contractors to pay a living wage to staff who weren't engaged on their contracts.
- One local authority had produced an ethical charter, which was aspirational in nature.
- One local authority had hired a part time officer to promote the Living Wage and co-ordinate a living wage leadership group.
- Some employers had separate minimum standards agreements with their contractors but this was not always an easy fit for sectors such as social care where many workers were self-employed.
- Unite would look at any campaign proposal because addressing low pay was central to their aims; the Regional Officer said he would take responsibility for pushing a living wage in Oxford if the Council committed some resource.
- Some charities may support a campaign but others would be wary of the political dimensions of doing so.
- The reopening of the Westgate Shopping Centre was creating upward pressure on wages as retailers competed to attract employees.

17. CALL FOR EVIDENCE

The Review Group agreed to shorten the survey by combining questions 7 & 8 and questions 10 & 11, and by removing questions 17 & 18.

18. NOTES OF PREVIOUS MEETING

Agreed.

19. DATES OF FUTURE MEETINGS

Noted.

The meeting started at 5.00 pm and ended at 7.15 pm