

Report of the Corporate Overview and Scrutiny Committee to the meeting to be held on Wednesday 25 September 2013

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Subject:

Scrutiny review into the implications for the District of Bradford Council adopting a Living Wage.

Summary statement:

The attached draft report contains the findings from the detailed scrutiny review into the implications for the District of Bradford Council adopting a Living Wage.

Cllr Rizwan Malik
Chair – Corporate Overview and Scrutiny
Committee.

Portfolio:

Corporate.

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1. Summary

- 1.1 The attached draft report contains the findings from the detailed scrutiny review into the implications for the District of Bradford Council adopting a Living Wage.

2. Background

- 2.1 At its meeting on Tuesday 10 July 2012, Full Council requested that the Corporate Overview and Scrutiny Committee undertake an in-depth investigation over the next twelve months, into the implications for the District of Bradford Council adopting a Living Wage policy and to report the findings of that investigation back to Full Council.
- 2.2 Nationally, there are 22 accredited Living Wage Council and a further 38 Councils with a commitment towards implementing a Living Wage Policy. However, findings of this review indicate that the accredited Living Wage Councils have significantly less numbers of staff that were affected by the implementation of a Living Wage Policy in their authorities.
- 2.3 In contrast to this, the number of staff that would be affected if Bradford Council decided to implement a Living Wage Policy is much higher.
- 2.4 The DRAFT Scrutiny Review report into the implications for the District of Bradford Council adopting a Living Wage policy, is attached as Appendix 1.

3. Other Considerations

- 3.1 During the information gathering sessions for this scrutiny review members of the Corporate Overview and Scrutiny became aware of a range of advantages and disadvantages, in adopting a Living Wage Policy. It was claimed by the supporters of a Living Wage, that a Living Wage Policy would lead to:

- increases in the productivity of employees in return for higher wages;
- reductions in absence;
- reductions in staff turnover;
- morality of paying a Living Wage, that allows a decent standard of living;
- increases in the disposal income of employees.

Some of the disadvantages to Bradford Council in adopting a Living Wage Policy are:

- increased cost to the Councils wage bill, in a difficult financial climate, as well as, the long term costs and risk associated with linking to an external pay level, where Bradford Council has no input to or influence over the Living Wage level;
- introduces a new concept and two tier system of pay;
- benefit of increase in earnings could be off set by the loss or reduction in state benefits;
- Limited evidence and no guarantee of the benefits to Bradford Council, of increasing pay to the Living Wage level;
- Ongoing commitment to increase the pay levels, in line with the Living Wage administration.

4. Financial and Resource Appraisal

- 4.1 Bradford Council employs 2,265 staff who are earning below the Living Wage level of £7.45 per hour.
- 4.2 Implementing a Living Wage would add an extra £2.7m to Bradford Council's wage bill and as the Living Wage hourly rate rises annually, the cost to the Council will also rise.
- 4.3 If the Districts schools decided not to implement a Living Wage Policy, Bradford Council would be open to Equal Pay challenges that would be difficult to defend. The Districts schools could argue that if Bradford Council want to implement a Living Wage Policy, then Bradford Council should provide the funding and this would equate to nearly £4m extra to the Councils wage bill.

5. Trade Unions

- 5.1 The Councils Corporate Trade Unions were consulted as part of this review and the details of their views can be found in the Draft Scrutiny Review Report, which is attached as Appendix 1.

6. Options

- 6.1 In considering how to progress this issue the Committee may wish to:
 - adopt or amend the findings contained within the draft report;
 - forward their recommendations to the Executive, Council and / or other appropriate bodies.

7. Contribution to Strategic Priorities

- 7.1 This Scrutiny Review makes a contribution towards all of Bradford Councils Strategic Priorities, which include:
 - improving educational attainment;
 - supporting the District's economy, jobs and skills and city centre regeneration;
 - supporting the most vulnerable adults, children and families;
 - reducing health inequalities;
 - securing an adequate supply of decent and affordable homes;
 - safe, clean and welcoming neighbourhoods.

8. Recommendations

- 8.1 That the report be referred to Council for it to consider the key findings of this review, to determine whether further work needs to be done to progress this and/or whether Bradford Council should proceed to becoming a Living Wage employer.

9. Background documents

None

10. Not for publication documents

None

11. Appendices

Appendix 1 – Implications for the District of Bradford Council adopting a Living Wage Policy Scrutiny Review Draft Report.

Membership of the Corporate Overview and Scrutiny Committee

2012-13

Current

Members

Cllr Rizwan Malik, (Chair).
Cllr Sarah Ferriby, (Deputy Chair).
Cllr Keith Dredge.
Cllr Jan Smithies.
Cllr Simon Cooke.
Cllr Martin Smith.
Cllr Malcolm Sykes.
Cllr Howard Middleton.
Cllr Adrian Naylor.
Cllr Alyas Karmani.

Co-Opted Members

Julie Lintern – Keighley and Ilkley
Voluntary and Community Action,
(KIVCA).
Fiona Stephens – Airedale, Bradford and
Leeds NHS.

Alternate Members

Cllr Vanda Greenwood.
Cllr Khadim Hussain.
Cllr Carol Thirkhill.
Cllr Gill Thornton.
Cllr Val Binney.
Cllr Andrew Mallinson.
Cllr Mark Shaw.
Cllr Alun Griffiths.
Cllr Chris Greaves.
Cllr Mohammed Shabbir.

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Members

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Cllr Carol Thirkhill.
Cllr Simon Cooke.
Cllr Martin Smith.
Cllr Malcolm Sykes.
Cllr Howard Middleton.
Cllr Adrian Naylor.
Cllr Alyas Karmani.

Alternate Members

Cllr Kaneez Akthar.
Cllr Abid Hussain.
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Cllr Andrew Mallinson.
Cllr Mark Shaw.
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Cllr Ann Hawkesworth.
Cllr Mohammed Shabbir.

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DRAFT

Chairs Foreword

I am pleased to present this report, a detailed scrutiny review into the implications for the District of Bradford Council adopting a Living Wage Policy.

This report has been instigated by a meeting of full Council that requested the Corporate Overview and Scrutiny Committee undertake an in-depth investigation into the implications for the District of Bradford Council adopting a Living Wage Policy and to report the findings of that investigation back to full Council.

Moreover this is an important area of work and one which is also relevant, current and has growing support throughout the Country. The relationship that the Living Wage has with addressing poverty and employment, along with linkages with financial implications are crucial and have been considered in this report.

Members of the committee have engaged with a range of interested parties and have taken a balanced view to a Living Wage Policy, by examining the implications of a Living Wage Policy and how these relate to the Council and its staff.

As Chair of the Corporate Overview and Scrutiny Committee, I hope this document gives you an insight of what the impact of a Living Wage Policy would be for Bradford Councils and its staff.

I would like to thank all consultees who made a valuable input to this review.

I would like to thank the members of the committee for their sustained commitment throughout this process, as well as officers who have supported the committee throughout the scrutiny review.

Councillor Rizwan Malik
Chair, Corporate Overview and Scrutiny Committee

Executive Summary

A Living Wage means that every worker in the country will earn to provide their family with the essentials in life. The Living Wage is calculated by looking at the basic cost of living and describes the minimum hourly wage necessary for an individual to meet their own or their family's basic day-to-day needs including housing, food and clothing. This does not include desirable items, such as cars or holidays.

There are two levels of Living Wage, one for London which is currently set at £8.55 per hour and £7.45 per hour for outside London. The London Living Wage is calculated by the Greater London Authority, (GLA) and the Living Wage for outside London is calculated by the Centre for Research in Social Policy, (CRSP), at Loughborough University.

During the information gathering sessions for this scrutiny review members of the Corporate Overview and Scrutiny became aware of a range of advantages and disadvantages, in adopting a Living Wage Policy. It was claimed by the supporters of a Living Wage, that a Living Wage Policy would lead to:

- increases in the productivity of employees in return for higher wages;
- reductions in absence;
- reductions in staff turnover;
- morality of paying a Living Wage, that allows a decent standard of living;
- increases in the disposal income of employees.

Some of the disadvantages to Bradford Council in adopting a Living Wage Policy are:

- increased cost to the Councils wage bill, in a difficult financial climate, as well as, the long term costs and risk associated with linking to an external pay level, where Bradford Council has no input to or influence over the Living Wage level;
- introduces a new concept and two tier system of pay;
- benefit of increase in earnings could be off set by the loss or reduction in state benefits;
- Limited evidence and no guarantee of the benefits to Bradford Council, of increasing pay to the Living Wage level;
- Ongoing commitment to increase the pay levels, in line with the Living Wage administration.

Nationally, there are 22 accredited Living Wage Council and a further 38 Councils with a commitment towards implementing a Living Wage Policy. However, findings of this review indicate that the accredited Living Wage Councils have significantly less numbers of staff that were affected by the implementation of a Living Wage Policy in their authorities.

In contrast to this, the number of staff that would be affected if Bradford Council decided to implement a Living Wage Policy is much higher.

Moreover, a Living Wage salary for Bradford Council employees would equate to £14,300 per annum. Currently in Bradford Council there are 2,265 employees, (565 are male and 1700 are female), who are earning below this salary. The additional cost to Bradford Council of adopting a Living Wage Policy would be £2.7m.

Members of the Corporate Overview and Scrutiny Committee understand the argument for paying a Living Wage to its employees, in that it allows for a decent standard of living by addressing deprivation. Nevertheless, members also feel the need to be cautious when considering implementing a Living Wage, in light of the feedback that has been received during the course of this review.

The moral argument needs to be balanced against the increased cost to the Council's wage bill in a difficult economic climate, [which could put Bradford Council jobs at risk]. In addition there are the long term costs and risks associated with linking to an external pay level, where Bradford Council has no input or influence over the Living Wage level. As well as this as, the Comprehensive Spending Review which was announced in July 2013 mean that for Bradford Councils a further £100m of cuts will need to be made over the next three years.

Members also debated an alternative approach to adopting a Living Wage Policy, by examining what the barriers or difficulties experienced by Bradford Council workers at the very lowest level of the salary bands are and if there is anything that can be done to address those barriers. For instance improving people's ability to access work and what as a Council, can be done to enhance their ability to attend work which might be more cost effective with a direct outcome.

Chapter 1 - Introduction

Background

At its meeting on Tuesday 10 July 2012, full Council requested that the Corporate Overview and Scrutiny Committee undertake an in-depth investigation over the next twelve months, into the implications for the District of Bradford Council adopting a Living Wage policy and to report the findings of that investigation back to full Council.

The Committee's terms of Reference are attached as appendix 1.

What is the Living Wage?

A Living Wage means that every worker in the country will earn enough money to provide their family with the essentials in life. The Living Wage is calculated by looking at the basic cost of living and describes the minimum hourly wage necessary for an individual to meet their own or their family's basic day-to-day needs including housing, food and clothing. This does not include desirable items, such as cars or holidays.

The Living Wage is distinct from the statutory minimum wage, (currently at £6.19 per hour), which was created to provide a floor below which wages should not fall. However, it is not designed to ensure that workers and their families are able to achieve a decent standard of living.

The minimum wage is a negotiated settlement, which is agreed between Trade Unions and organisations. In contrast to this, the Living Wage is an hourly figure which is calculated, based on a basket of essential goods and services and also from the Joseph Rowntree minimum income standard research.

The current minimum wage is £6.19 per hour.

There are two levels of Living Wage, one for London which is currently set at £8.55 per hour and £7.45 per hour for outside London. The London Living Wage is calculated by the Greater London Authority, (GLA) and the Living Wage for outside London is calculated by the Centre for Research in Social Policy, (CRSP), at Loughborough University.

New Living Wage rates will be announced in every year in the Living Wage Week, which will take place each November.

The difference between the Living Wage and the National Minimum Wage

The first point to consider is that the Living Wage is an informal benchmark, not a legally enforceable minimum level of pay, like the National Minimum Wage. Furthermore, the National Minimum Wage is determined by the Chancellor of Exchequer each year on the advice of the Low Pay Commission and is enforced by HM Revenue and Customs.

The Living Wage is currently calculated by the Centre for Research in Social Policy at Loughborough University, whilst the London Living Wage is calculated by the Greater London Authority since 2005.

Calculation of the Living Wage

The Living Wage is calculated by looking at the basic cost of living and describes the minimum hourly wage necessary for an individual to meet their own or their family's basic day-to-day needs including housing, food and clothing.

Discussions with the Joseph Rowntree Foundation, (JRF), identified that they have funded research since 2008 into calculating what the public think it costs to achieve a decent standard of living in the United Kingdom, for eleven different family types. The research identifies the basket of goods and services people think different types of household need in order to reach a minimum acceptable standard of living, including food, housing, bills and items you need for your children. The cost of this basket of goods is then calculated by researchers at the Centre for Research in Social Policy, (CRSP), at Loughborough University. This is known as the Minimum Income Standard, (MIS).

The officer from JRF emphasised that the calculation is based around the views of members of the public, which are collated through the public coming together in focus groups. Items are only included in MIS where there is consensus among the public that something is needed to reach a minimum acceptable standard of living – not an aspirational standard of living.

Based on these budgets researchers construct a total target net income for each of the nine working age household types covered by MIS. This takes into account the cost of living according to MIS, rent costs, childcare and council tax. It also takes account of the tax and benefit system to produce a gross annual earning requirement and equivalent gross hourly wage rate required by different household types to meet the minimum income standard.

The non-London Living Wage figure is then calculated based on these gross hourly wage rates. To arrive at a single figure, a weighted average of the wage requirement of different households is calculated. Each year the non-London Living Wage is updated taking account of the changing cost of living according to MIS. It also takes account of what is happening to wages generally, to prevent a situation where Living Wage employers are required to give pay rises that are too far out of line with general pay trends.

The Scrutiny Process

Members have received and gathered a range of information from a number of different sources, including:

- Bradford Council Officers;
- Trade Unions;
- the Living Wage Foundation;
- the Joseph Rowntree Foundation;
- Bradford University;
- Accredited Living Wage Councils;
- the Voluntary Sector;
- Bradford Chamber of Commerce;
- Local Government Yorkshire and Humber.

Overall Aims

The key aims of this Scrutiny Review are to:

- establish the overall implications, (costs, levels of employment, performance, industrial relations, pension/benefits, competitiveness and taxation), for Bradford Council of adopting a Living Wage Policy;
- determine the implications for Bradford Council insisting that all providers of Council services provide a Living Wage;
- establish the implications for the District of Bradford Council adopting a Living Wage Policy;
- explore how other public and private sector organisations are moving towards a Living Wage Policy;
- explore options for encouraging the adoption of a Living Wage Policy across the District;
- understand how a Living Wage Policy would interact with the welfare reform programme, in particular the introduction of Universal Credit and any District wide mitigation;
- investigate the costs and staffing implications to Bradford Council in implementing a Living Wage Policy.

Chapter 2 – National Context

Setting the Scene

The issue of low pay has become extremely significant in recent years, especially when taken into account with the economic recession, wage stagnation, inflation and food costs. The rise in energy and travel prices will also affect people who are travelling to work.

Colleagues from the research team at the School of Management in Bradford University indicated to members of the Committee that Living Wage research undertaken in October 2012 showed that there are 440,000 workers in Yorkshire and Humber are being paid below the Living Wage. Further findings included:

- one in five UK workers are paid below the Living Wage, this equates to 4.82 million people;
- over 40% earning below the Living Wage reported worsening finances;
- the largest occupational category within this is Sales and Retail Assistants, of which there are an estimated 780,000 people earning less than the Living Wage;
- the highest proportion of below Living Wage earners is in kitchen & catering assistants, elementary personal services occupations and dry cleaners and pressers;
- London and the South East have the lowest proportion of those earning less than the Living Wage.

The table below further highlights the difference in Living Wage earners on a Regional basis.

Table 1 – Regions by number and proportion of earners below the Living Wage, (KPMG Living Wage Research October 2012)

Rank	Region	Total number in employment	Median Wage (per hour)	No. below the Living Wage	% Below the Living Wage
1	Northern Ireland	716,000	£10.00	170,000	24%
2	Wales	1,084,000	£10.05	250,000	23%
3	East Midlands	1,679,000	£10.18	370,000	22%
4	Yorkshire and The Humber	2,001,000	£10.32	440,000	22%
5	North West	2,596,000	£10.41	570,000	22%
6	West Midlands	2,104,000	£10.43	460,000	22%
7	North East	936,000	£10.31	200,000	21%
8	South West	2,052,000	£11.20	430,000	21%
9	Eastern England	2,196,000	£10.87	440,000	20%
10	Scotland	2,162,000	£11.09	390,000	18%
11	South East	3,321,000	£11.81	530,000	16%
12	London	3,539,000	£15.67	570,000	16%
	All UK	24,385,000	£11.20	4,820,000	20%

Research undertaken in 2012 by a team from the Centre for Research in Social Policy at Loughborough University updated the Joseph Rowntree Foundations Minimum Income Standards for the United Kingdom has asked members of the public what people need to achieve a socially acceptable standard of living. This allowed comparisons to be made from research undertaken in 2008 and showed that:

- a single person in the UK needs to earn at least £16,400 a year before tax in 2012, to afford a minimum acceptable standard of living;
- two parents need to earn at £18,400 each to support themselves and two children;
- new requirements have emerged since 2008 – computers and the internet are now considered necessities for all working-age families;
- families with children living in urban areas stated that a car has become essential to meet an acceptable living standard.

Background to the Living Wage Foundation

The Living Wage Foundation launched in 2011 and is the body that provides accreditation, advice and support to potential and Living Wage Employers. If accredited an employer would be entitled to use the Living Wage employer mark, however full accreditation requires employers to commit to requiring contractors to apply the Living Wage to their staff. Furthermore, accreditation is subject to a licence agreement, which costs £400 per annum.

From discussions with the Living Foundation, members learned that part of the accreditation process is a phased implementation, to assist the larger organisations to implement the Living Wage over time. For instance if a Council has contracts which are not Living wage, then there may a penalty in cancelling those contracts.

Therefore the Living Wage Foundation has created a timetable of rolling milestones, so as contract are due for renewal, a Council can then can then implement the Living Wage as each contract rolls over in a process to move to the Living Wage over time.

The Living Wage Foundation is supported by seven principle partners who fund their work to expand the reach of the Living Wage. These partners include:

- KPMG;
- Trust for London;
- Linklaters;
- Save the Children;
- Aviva;
- The Resolution Foundation;
- Queen Mary University of London.

Meeting the Living Wage Criteria

In order to gain accreditation to the Living Wage, an organisation needs to meet the following criteria within three months of the formal signing of the Accreditation Licence:

- ensure that all directly employed staff over the age of 18, other than apprentices or interns), are paid no less than the Living Wage;
- increase the amount paid to employees by the same amount as any increase to the Living Wage, within six months of the date on which any increase in the Living Wage is officially announced, (which is done annually);
- notify all affected employees of the date of the next increase within one month of the official announcement.

Accredited Living Wage Councils and those Councils moving towards Living Wage accreditation

There are 22 accredited Living Wage Councils and they are:

- Brent Council;
- Burnley Borough Council;
- Caerphilly County Borough Council;
- Cardiff City Council;
- Glasgow City Council;
- London Borough of Barking & Dagenham.
- London Borough of Camden;
- London Borough of Southwark;
- London Borough of Hounslow;
- Harlow Council;
- Ipswich Borough Council;
- London Borough of Lambeth;
- Selby Town Council;
- Brighton & Hove City Council;
- London Borough of Islington;
- London Borough of Lewisham;
- London Borough of Ealing;
- Norwich City Council;
- Preston City Council;
- Oxford City Council;
- Birmingham City Council;
- Newcastle City Council.

The experiences of some of the accredited Councils will be explored in the Key Findings section of this report.

Furthermore, the Living Wage foundation is working with 38 other Councils, with a commitment towards the Living Wage and they are listed below.

Ashfield.
Blackpool.
Bristol.

Hyndburn.
Leicester.
Liverpool.

Cherwell District.
Calderdale.
Carlisle.
Chorley.
City of London.
Crawley.
Croydon.
Dartford.
Deal.
Derby City.
Ealing.
Enfield.
Greater London Authority.
Gloucester.
Greenwich.
Haringey.
Hackney.

Newark & Sherwood.
Plymouth.
Salford.
Sheffield.
South Gloucestershire.
Swansea.
Thurrock.
Tower Hamlets.
Wigan.
Winchester.
Wirral.
Worcester.
Wolverhampton.
Wyre Forest.
York.

As well as the local authorities mentioned above, there are also a number of private sector organisations which have committed to becoming a Living Wage Employer and they include:

- KPMG;
- Pricewaterhouse Coopers;
- HSBC;
- Barclays;
- Citigroup;
- Morgan Stanley.

Chapter 3 – Key Findings

This section presents the findings of the Corporate Overview and Scrutiny Committee, as a result of this scrutiny review of exploring the implications for the District of Bradford Council adopting a Living Policy.

During the information gathering sessions with interested parties, members learned about a range of advantages and disadvantages, in relation to the implementation of a Living Wage. These are summarised in the table below.

Table 2 – Advantages and Disadvantages of adopting a Living Wage Policy

Advantages	Disadvantages
The morale argument of paying a Living Wage, that allows a decent standard of living.	Immediate increased cost to the Councils wage bill and possible impact on jobs, in a difficult financial climate. As well as, the long term costs and risk associated with linking to an external pay level, where Bradford Council has no input to or influence over the Living Wage level.
Wage efficiency arguments suggests: <ul style="list-style-type: none"> • possible increase in the productivity of employees in return for higher wages; • reduction in absence; • reduction in staff turnover. 	Breaks the principles and policy of pay for Local Government service employees, those being: <ul style="list-style-type: none"> • pay for the value of the job; • internal pay relativities between jobs of different size.
Increases in the disposal income of employees.	Introduces a new concept and two tier system of pay.
Reduces wage inequity between the highest and lowest paid employees in the Council.	Benefit of increase in earnings could be off set by the loss or reduction in state benefits.
May attract a different calibre of applicant for the jobs affected by the Living Wage.	Perception and effect on morale of employees not receiving a pay increase, (the vast majority of the Council).
Enhanced public perception in the District, by being perceived to be helping the low paid.	Public perception – increasing the pay of public sector workers during the economic climate.
Economic growth argument – suggests the beneficial effect on the local economy through increased wages being spent on goods and services.	Increases the cost of employees, which may be detrimental to outsourcing and alternative service delivery models.
Helping to combat Child Poverty.	Potential inability to apply across the Living Wage Policy, across all Bradford schools.
Addressing deprivation.	Limited evidence and no guarantee of business benefits to the Council, of increasing pay to the Living Wage level.
Closing the gap between the pay of men and women.	Ongoing commitment to increase the pay levels, in line with the Living Wage administration.

Members of the Committee held information gathering sessions with Bradford Council Officers, Trade Unions, The Living Wage and Joseph Rowntree Foundations and Bradford University, as well as receiving written information from, accredited Living Wage Councils, the Voluntary Sector, Bradford Chamber of Commerce and Local Government Yorkshire and Humber.

The transcripts from the information gathering sessions are available on request.

The findings of this scrutiny review will now be explored in more detail, under the following list of interested parties.

The Living Wage Foundation

Whilst developing the terms of reference for this scrutiny review, members of the Corporate Overview and Scrutiny at a very early stage, were of the view that they would need to meet with representatives from the Living Wage Foundation.

For the Living Wage Foundation, the central theme of the Living Wage is to look after your employees and they indicated that one of the reasons why the Living Wage has received a lot of attraction is because of its business benefits. Such benefits included:

- 80% of Living Wage employers have reported enhanced quality in the work of their staff;
- 70% of Living Wage employers felt that the Living Wage has increased consumer awareness of their organisation's commitment to be an ethical employer;
- 25% reduction in absenteeism.

As well as this, Living Wage employers also highlighted that there had been improvements in staff loyalty and improved staff retention rates.

The Foundation stated that the Living Wage was also linked with corporate social responsibility and about looking after the people in your organisation, whilst recognising that you can get business benefits from looking after people, as well as increased job satisfaction.

The officer from the Foundation also stressed that adopting a Living Wage Policy is also a very good way to tackle poverty in the local areas. For instance, low paid workers would have more money to invest back into the economy, because if they are paid more; they are going to spend more and that is going to be one way to boost the local area.

Joseph Rowntree Foundation

In their discussions with members of the Committee, the officer from the Joseph Rowntree Foundation, the officer reiterated the points raised by the Living Wage Foundation.

The officer did however talk about the Living Wage figure itself and did emphasise that there is a significant amount of research that is undertaken, into calculating the cost of living across the areas of food, clothing, housing, utility bills and essential items needed for children.

Moreover, the officer stressed that it was important to take into consideration that the hourly Living Wage rate was essentially based on what members of the public had told researchers in Focus Groups. The public decided and reached a consensus amongst themselves about the budgets for their families – so they are the real experts.

Following this and having heard of the advantages of adopting a Living Wage Policy, members of the committee were very keen to explore further the potential disadvantages of adopting a Living Wage Policy and what a Living Wage Policy would mean for Bradford Council particularly with regards to:

- financial implications;
- numbers of Bradford Council staff that would be affected;
- impact on the District as a whole.

Bradford University

Members of the committee also held an information gathering session with a team of academics from Bradford University, who had been conducting research on low pay, work-life balance and employment relations.

From the work they had undertaken, the team of academics felt that by adopting a Living Wage, it would send out a positive message for employers regarding the ethos of the organisation, as being an “employer of choice”.

As well as this, the team felt that the Living Wage also creates more motivated, committed and loyal workers and also enhances employee retention; along with helping to reduce regional poverty and as workers spend their higher wages, this can help boost the local economy.

These observations were also shared by the Living Wage Foundation and Joseph Rowntree Foundation.

Bradford Council Officers

After having held extensive discussions with officers from the Living Wage Foundation and Joseph Rowntree Foundation, members of the Corporate Overview and Scrutiny Committee felt that it was imperative that they now engaged with Bradford Council officers in the areas of Legal, Human Resources, Finance, Benefits and Procurement and Commissioning to establish what the potential implications of adopting a Living Wage Policy would be for Bradford Council; particularly in terms of the financial implications for the Council and numbers of staff affected.

The Cost to Bradford Council in implementing a Living Wage

To start with, copies of Bradford Councils pay structure were shared with members of the committee and were asked by Council Officers to refer to the pay structure chart during the course of this part of the discussions.

The pay structure chart is attached as appendix 3 to this report.

Members of the Committee learned that Bradford Council employs 2,265 staff who are earning below the Living Wage level of £7.45 per hour. This figure does not include casuals or apprentices that the Council employees. This affects a range of staff in the following areas:

- domestic;
- cleaners;
- cooks;
- catering;
- drivers;
- street scene;

- homecare;
- warehouse;
- waste;
- security;
- markets;
- gardeners.

This would add an extra £2.7m to Bradford Councils wage bill and as the Living Wage hourly rate rises annually, the cost to Bradford Council will also rise.

There are a number of Councils that have adopted a living Wage Policy. However discussions with Council Officers revealed that most of these Councils have actually outsourced a lot of the bottom tiers of their pay structures and these are the staff that are most likely to be affected by the implementation of a Living Wage, (this will be covered later in this report).

In contrast to this, Bradford Council has not tended to outsource and blue collar staff remains a part of employment in the Council, which is unlike the majority of Councils that have adopted a Living Wage Policy.

Staying with the cost issue, it is also important to emphasise the cost to schools as well. The Districts Schools would face an additional £1.7m in implementing a Living Wage Policy; this is in addition to the extra £2.7m to Bradford Council's wage bill.

Moreover, if the Districts Schools decided not to implement a Living Wage Policy, Bradford Council would be open to Equal Pay Challenges that would be difficult to defend. Continuing on, the Districts Schools could argue that if Bradford Council want to implement a Living Wage Policy, then Bradford Council should provide the funding and this would equate to nearly £4m extra to the Councils wage bill.

Impact on the current pay grading structure

Continuing on with this theme and as already mentioned above the current Living Wage rate is £7.45 per hour. From Bradford Councils Pay Grading Structure. Spinal Point Column 10 on the pay structure shows a salary of £13,733, which equates to £7.19 per hour. Spinal Point Column 11 has a salary of £14,733 against it, which equates to £7.63 per hour. Therefore, Bradford Councils Living Wage Salary would be somewhere around £14,300 and the Council employs 2,265 people on these salaries. Subsequently this means that all staff from Spinal Point Column 4 which is a salary of £12,145, upwards to between Spinal Point Columns 10 and 11 are earning below the Living Wage.

This has a significant bearing on pay differentials, especially if one decides to move everyone who earns a salary of £12,145 to the Living Wage Salary of £14,300. This issue becomes complicated, as there are pay differentials in the Council about the roles and work that staff perform. For instance, moving staff from £12,145 to Spinal Point Column 9, which has a salary of £13,189 would be problematic as staff on a salary of £13,189 are actually cleaning supervisors. Staff that have been on a career path and have moved from the lowest salary of £12,145 to £13,189. By simply moving staff up the grades, you will have staff earning the same as supervisory staff and this is precisely why pay differentials are put in place to the grading structure, which is assessed against an individuals job, whether that is a Cleaner or Cleaning Supervisor. Moreover, this can then

increment further up the pay grade structure, as the Living Wage will continue to rise on an annual basis.

In 2012-13, Bradford Council did make a “one-off” payment of £250 to its low paid staff and further discussions highlighted that for the Council there has been a national pay freeze for three years. This means that pay is frozen from the bottom salary of £12,145 right up to the top salary in the Council. The Living Wage rate is not done through this process, but a national organisation determines the pay rise on an annual basis. In 2012 the Living Wage rate was £7.20 per hour and this year it is £7.45 per hour, this equates to a 3.5% rise. Subsequently if there is 3.5% rise every year and for an specific reason in the next three years the Council also has a pay increase, this will inevitably result in staff pushing into other staff who are above the wage, which will once again have an impact on the pay differentials within the grading structure.

There was also some debate over whether Bradford Council could insist that providers of Council Services should provide a Living Wage. If the Council decided to adopt a Living Wage Policy and as part of the budget setting exercise decided to tender work, it would be interesting to see that impact of this as there will be implications under the transfer of undertaking protection employment, where external staff would external providers would take Council staff on their terms and conditions. Furthermore, prospective bidders may find that the Council staff wages are significant higher than there own staff and this could affect the bid they place. Moreover, providers would have to deal with a two tier pay structure.

Members learned that in line with European procurement standards, there is no recognition to allow competition based on someone providing a Living Wage, because there has to be an equal and fair competition based on European Standards and that is where the Minimum Wage can be insisted on. Clauses can be inserted into contracts asking providers to pay a Living Wage, but there needs to be clarity of this in terms of its relevance to the contract. There would also be an issue of enforceability of such a clause, if it was to be challenged.

Any additional costs of contracting with organisations who agreed to pay the Living Wage would be passed onto Bradford Council.

Interaction between the Living Wage, the Taxation System and Welfare Benefits

During this scrutiny review, there was a concern amongst members regarding the possible impact of introducing a Living Wage on employees receiving state benefits.

Information received from the Local Government Yorkshire and Humber suggested that for staff who receive a means-tested benefit, (such as Income Support, income-based Job Seekers Allowance, Housing Benefit or Council Tax Benefit), an increase in earned income would be likely to result in a reduction in their benefit. The rate of decrease varies according to the benefit an individual receives and the particular rules that relate to them.

At its simplest, any increase in wages will lead to an increase in the amount of tax a person pays and a reduction in the amount of means-tested benefits such as, (Income Support, Housing benefit, Council Tax Reduction, Working and Child Tax Credits), they receive. Members heard that the rate at which benefits was taken away varied between benefits.

For instance, for Housing Benefit and Council Tax Reduction, there would be a reduction of 65p or 20p respectively for every extra pound of net earned income after tax and National Insurance. Using average payments and without taking account of any reduction of tax and National Insurance, (as this is a variable), this would reduce Housing Benefit by £11.57 per week and Council Tax Reduction by £3.56.

Working and Child Tax Credits are administered by Her Majesty's Customs and Excise and officers of the Council have only a working knowledge of the assessment process.

Members of the committee also heard an example of how complicated this can become and consequently how difficult an accurate assessment of the impact of a Living Wage is.

Case Study

A couple living in Bradford who earn below the Living Wage, would qualify for Housing Benefits and Council Tax Reduction from Bradford Council, Working Tax Credit, (and possible Child Tax Credit if they have children). An increase to the Living Wage would mean they pay extra Tax and National Insurance; their Child Tax Credit reduced because of the increase in wage and their Housing Benefit/Council Tax Reduction reduce because of an increase in wage.

Allowing for these complications, officers within the Council's benefits team are undertaking some work to assess the number of people in the District that currently receive Housing Benefit, where their income is below the Living Wage level. This work also included establishing how many of those individuals are Bradford Council employees.

Indications are that there are approximately 5,500 households across the District who claim Housing benefit, whose declared earnings are less than the Living Wage rate of £7.45 per hour. They work on average 22 hours a week and earn on average £6.25 per hour.

A simple calculation, excluding Tax Credit and taxation impacts shows that if all these residents were paid the Living Wage, 4,000 would lose some or all of their housing benefit; an average weekly loss of £16.00. However, their own income would increase by £25.00, thus making them £9 per week better off.

From this group of 4,000, around 500 work for Bradford Council. Using the same averages, this would cost Bradford Council £650k per year, but because of how the benefits system is funded, this would bring no benefit saving to the Council.

The remaining 1,500 individuals would not see a reduction in their Housing Benefit, (because their needs are higher), but would see an increase in their disposable income again, on average by £35 per week.

Members were reminded that the introduction of Universal Credit, between 2014 and 2017, would bring an end to this complexity. Assessing the impact of a wage rise would be a simple calculation and bring clarity for claimants and policy makers alike.

Local Government Yorkshire and Humber

Information received from the office of Local Government Yorkshire and Humber identified a number of risks in implementing a Living Wage Policy. These included:

- a failure of schools to agree to adopt the Living Wage, resulting in only a limited implementation and resulting in inequality, it is possible that this could create a significant equal pay risk;
- making traded cleaning services uncompetitive and schools opting out of Local Authority contract;
- an adverse press and public reaction to what could be portrayed as “excessive” pay increases at some levels of the pay scale;
- adverse reaction of employees not covered by the Living Wage and may be perceived as benefiting some, in the context of service changes;
- erosion of pay differentials between some jobs and those next closest to them in the hierarchy could also create employee dissatisfaction;
- the Living Wage moving further into the existing grading structure; as the basis for determining the Living Wage and Local Government Pay settlements are very different, the Living Wage rate will increase annually and at a greater pace than general pay rises, thus pushing the rate higher up the grading structure and increasing costs further.

Accredited Living Wage Councils

After discussions with the Living Wage Foundation, Joseph Rowntree Foundation, Bradford University’s research team and officers from Bradford Council, members of the Corporate Overview and Scrutiny Committee felt that they needed to explore further the experiences of the accredited Living Wage Councils. This included:

- numbers of staff that had been affected by the implementation of the Living Wage;
- whether there was a stipulation in contracts that providers of Council Services should also pay a Living Wage;
- areas that had been considered and rejected;
- the responses from Senior Management, the Voluntary Sector and Trade Unions.

As already highlighted in this report, there are currently 22 accredited Living Wage Council and responses were received from 9 of the Councils. They included:

- Birmingham;
- Camden;
- Islington;
- Lambeth;
- Lewisham;
- Norwich;
- Oxford;
- Preston;
- Southwark.

Most of the accredited councils had undertaken Fairness Commissions and the Fairness Commissions had reported back that a Living Wage Policy would be a very good way in which to tackle work poverty in their respective areas. This was primarily due to the

benefits a Living Wage would make to the individual, but also that as low paid workers would have more money, they could spend that in local economy which in turn would be boost to the local area.

For these Councils, along with the reputational benefits of being an ethical employer accreditation to the Living Wage also resulted in improvements in:

- recruitment and retention of staff;
- higher worker morale;
- motivation and productivity;
- improvements in service delivery;
- improvements in the living standards of individuals;
- the overall economic well-being of the local area.

However looking at this further, it is clear from the list of accredited Living Wage Councils, that the numbers of staff that have been affected by the implementation of a Living Wage Policy is far less than the staff that would be affected in Bradford Council, (Birmingham is the only exception to this).

Table 3 below, illustrates the number of staff that have been affected by the implementation of a Living Wage Policy, in comparison with the number staff that would be affected in Bradford Council.

Table 3 – the numbers of staff affected by the implementation of a living Wage Policy in the accredited Councils, in comparison to the number of staff that would be affected if Bradford Council adopted a Living Wage Policy

Council	Numbers of staff affected by the implementation of a Living Wage Policy
Birmingham.	3,500
Camden.	Figures not available.
Islington.	110
Lambeth.	49
Lewisham.	300
Norwich	38
Oxford.	30
Preston.	101
Southwark	1068
Bradford	2,265

With regards to the accredited Living Wage Councils stipulating in contracts that providers of Council Services should also pay a Living Wage, written information received from these Councils showed that the Living Wage Policy had not been applied to current or existing contracts. However all the Councils indicated that in future, there will be an expectation for contractors to pay the Living Wage to employees delivering services on behalf of the Council.

However all the Councils stated that all future procurement exercises must consider at the procurement strategy stage, whether it is appropriate for the Living Wage to be required. The presumption here is that the Living Wage will apply on each new contract

where services are to be provided and where best value can be demonstrated on a case by case basis. Although there is a presumption that the Living Wage will be included.

Furthermore, consideration would also be given to applying the Living Wage to existing contracts, where they contain extension clauses at the point of deciding whether to extend the contract or not.

In terms of areas that had been considered and rejected for the purpose of implementing a Living Wage Policy, the only area to report on here is the Procurement of services where there will be an expectation for staff to be paid the Living Wage; particularly those that are directly carrying out work on behalf of the Council.

Furthermore and amongst the Councils above, there was support towards the implementation of a Living Wage Policy, amongst Senior Management, the Voluntary Sector and Trade Unions. Nevertheless, also expressed was a need to be wary, specifically concerning:

- long term costs and the impact on medium term financial forecasts;
- the number of manual jobs resulting in a plethora of different rates and bonuses;
- issues with pay differentials.

Trade Unions – UNISON, GMB and UNITE

Members of the Corporate Overview and Scrutiny also engaged with Trade Unions representatives from UNISON, GMB and UNITE. Members heard that UNISON represents 9519 members in Bradford Council, GMB represented 1750 members and UNITE represented 575 members.

There was general consensus amongst the trade union representatives, in that they are fully supportive of the Living Wage. They also felt that the effects of paying a Living Wage to Bradford Council employees, would result increased productivity, a reduction in sickness absence, along with inspired job progression and promotion.

It was also indicated by the Trade Union representatives that the implementation of a Living Wage policy for Bradford would result in staff having more disposable income, which people would then spend in the local economy. Thus, providing a boost to the economy.

However, the UNISON representative did have some concerns about the sustainability of Bradford Council, in continuing to pay the yearly increase for the Living Wage and posed further questions around:

- How affordable is the Living Wage for Bradford Council?
- How many people would be affected by the implementation of the Living Wage?
- Will it be sustainable in the long term?

Furthermore, when asked about staff willingness to fund the Living Wage from existing wages, (for instance – the reduction from some high earners to fund the increase for others); the UNISON representative indicated that they would need to ballot members, but also said that their entire member were struggling in the current economic climate.

In contrast to this, the UNITE union representative suggested that Bradford Council could afford the implementation of a Living Wage policy, through re-scaling the pay structure for all employees and ensuring that contributions are made by all staff.

The UNITE representative also informed members of the Committee that out of 23 of their department representatives, 18 said that when consulted their members would be willing to fund the implementation of a Living Wage Policy in this manner.

Voluntary and Community Sector

Members were also keen to gain the views from the Voluntary and Community Sector and this was achieved through CNET, (Bradford Local Community Empowerment Network), which supports the voluntary and community sector on the local Strategic Partnership.

CNET fully supported the scrutiny review and emphasised the importance of gaining clarity about the potential anti-poverty impacts of adopting a Living Wage, especially as it would interact with Universal Credit, Housing Benefit cuts, the local Council Tax scheme and other welfare reforms during 2013.

There was approval from the Voluntary and Community Sector of a Living Wage Policy, as an anti-poverty measure. However, they did express concern for those who relied on means tested benefits/tax credits to top up their low wages, as they would lose a proportion of the increase due to their means tested benefits/tax credits reduce proportionately.

There was a lack of clarity amongst the voluntary and community sector with regards to the second key line of enquiry for this review. That being to “determine the implications for Bradford Council insisting that all parties of Council services provide a Living Wage”. This would obviously have an effect on those Voluntary Community Service organisations that pay the National Minimum Wage.

It was felt here that there would need to be communication between CNET and the Voluntary and Community Sector, to fully understand the implications for Voluntary and Community Sector organisations about their budgets and staffing levels.

Bradford Chamber of Commerce

The view of Bradford Chamber of Commerce was that they did not believe that Bradford Council should support and implement a Living Wage policy in the District. Their belief is that this would send a confusing message to employers and makes it unclear about what the minimum wage means. They posed further questions, namely:

- Would the Living Wage be the new minimum wage?
- Would the minimum wage still exist?

There Chamber felt that if the Living Wage became the new Minimum Wage, then this would actually increase costs substantially, at a time when businesses are still, struggling to secure sales and orders; many cannot provide wage rises for staff.

Bradford Chamber of Commerce further added that the Living Wage campaign is being driven largely by the Councils in the South, where the economy is very different than in the North. To adopt the Living Wage here, would damage Bradford's recovery from recession and also further entrench its disadvantages that already exist in trying to compete with neighbouring towns and cities within Yorkshire and beyond.

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Chapter 4 – Concluding Remarks

Following an extensive debate at the full Council meeting on Tuesday 10 July 2012, the Corporate Overview and Scrutiny Committee were asked to undertake an in-depth investigation into the implications for Bradford Council adopting a Living Wage Policy and to report the findings of that investigation back to full Council.

Members of the Corporate Overview and Scrutiny Committee have engaged widely with a range of interested parties, some whom are strong supporters of the Living Wage and some who oppose the whole concept. Presented in this report are the key findings of the review.

It is the view of this Committee that the whole concept of the Living Wage is an important one and that there are advantages to the Council in adopting a Living Wage Policy, particularly in terms of addressing poverty in the local area, ensuring that staff have a decent standard of living and increases in the disposal income of its staff.

During the course of this review, members have also learned that there is a momentum amongst Councils towards implementing a Living Wage Policy. Currently there are 22 accredited Living Wage Councils and a further 38 other Councils who are working towards Living Wage accreditation. However, as set-out earlier in this report, the accredited Living Wage Councils have far fewer staff than Bradford Council who would be affected by the implementation of the Living Wage and this has implications.

Linking pay in any way to the Living Wage introduces a potential commitment to a pay level that a Council would have no influence over. Currently Councils have control over their own local agreements on pay and annual pay increases are negotiated by the National Employers who represent Councils views, (collected through the regional Local Government Yorkshire and Humber). The risk is that Bradford Councils pay bill could be pushed up beyond what is desirable or affordable by such an external link. Once introduced, it might be difficult to remove such an external link.

The number of staff in Bradford Council that are below the Living Wage level is 2,265 and it would cost Bradford Council an extra £2.7m if it decided to implement this. Bearing in mind that the Living Wage rate increases on an annual basis, the sustainability and financial viability of Bradford Council adopting a Living Wage Policy raises further question marks especially in the current economic climate.

As well as this as, the Comprehensive Spending Review which was announced in July 2013 means that for Bradford Councils a further £100m of efficiencies will need to be made over the next three years.

The Corporate Overview and Scrutiny do feel that there are alternative approaches that have already been highlighted in this report, that would require further work.

This Committee asks Council to consider the key findings of this review to determine whether further work needs to be done to progress this and/or whether Bradford Council should proceed to becoming a Living Wage employer.

**City of Bradford Metropolitan District Council
Corporate Overview and Scrutiny Committee**

Scrutiny Review of the Living Wage

Terms of Reference – Adopted on Wednesday 10 October 2012

See Part 3E paragraphs 2.1 to 2.11 of the Constitution of the Council.

Background

At its meeting on Tuesday 10 July 2012, full Council requested that the Corporate Overview and Scrutiny Committee undertake an in-depth investigation over the next twelve months, into the implications for the District of Bradford Council adopting a Living Wage policy and to report the findings of that investigation back to full Council.

Context

A Living Wage means that every worker in the country will earn to provide their family with the essentials in life. The Living Wage is calculated by looking at the basic cost of living and describes the minimum hourly wage necessary for an individual to meet their own or their family's basic day-to-day needs including housing, food and clothing.

The Living Wage is distinct from the statutory minimum wage, (currently at £6.19 per hour), which was created to provide a floor below which wages should not fall. However, it is not designed to ensure that workers and their families are able to achieve a decent standard of living.

The London Living Wage is currently set at £8.55 per hour and for outside London, the Living Wage is set at £7.45 per hour.

The current minimum wage is £6.19 per hour.

Already, the following local authorities have committed to being a Living Wage employer:

- Birmingham;
- Oxford;
- Preston;
- Norwich;
- Camden;
- Southwark;
- Hounslow;
- Lambeth;
- Islington;
- Ealing.

The Living Wage Foundation is also currently working with the following local authorities:

- Brighton;
- Newcastle;
- Cardiff;
- Leeds;
- Liverpool;
- Glasgow.

As well as the local authorities mentioned above, there are also a number of private sector organisations which have committed to becoming a Living Wage Employer and they include:

- KPMG;
- Pricewaterhouse Coopers;
- HSBC;
- Barclays;
- Citigroup;
- Morgan Stanley.

Key Lines of Enquiry

The key lines of enquiry for this scrutiny review are to:

- establish the overall implications, (costs, levels of employment, performance, industrial relations, pension/benefits, competitiveness and taxation), for Bradford Council of adopting a Living Wage Policy;
- determine the implications for Bradford Council insisting that all providers of Council services provide a Living Wage;
- establish the implications for the District of Bradford Council adopting a Living Wage Policy;
- explore how other public and private sector organisations are moving towards a Living Wage Policy;
- explore options for encouraging the adoption of a Living Wage Policy across the District;
- understand how a Living Wage Policy would interact with the welfare reform programme, in particular the introduction of Universal Credit and any District wide mitigation;
- investigate the costs and staffing implications to Bradford Council in implementing a Living Wage Policy.

Methodology

The committee will receive and consider a variety of evidence/information provided by a range of interested parties. The Committee may adopt one or more of the following methods to collect evidence/information:

- relevant documents such as poverty and welfare strategies;
- relevant data such as payroll information, poverty indicators, activity costs, employment trends etc;

- written submissions from, or meetings with interested parties;
- undertake relevant visits.

Indicative list of interested parties

An indicative list of interested parties is provided below. This is not definitive or exclusive and can be developed as the scrutiny progresses.

Organisation / Department	Contact
Trade Unions/Staff side.	UNISON – Saba Gabrielle Moussa. GMB – Gary Nesbitt and Tony Rackham. UNITE – Patrick Kerry.
Bradford Council.	Martin Stubbs – Assistant Director, Revenue and Benefits. Roz Hall – Assistant Director, Strategic Support. Matt Burghardt – Assistant Director, Human Resources. Janice Simpson – Strategic Director, Adult and Community Services. Cindy Peek – Deputy Director, Children’s Services. David Shepherd – Assistant Director, Housing. Jill Campbell – Assistant Director, Commissioning and Procurement. Stuart Mckinnon-Evans – Director of Finance. Suzan Hemingway – City Solicitor.
Local Authorities.	Birmingham. Oxford. Preston. Norwich. Camden. Southwark. Hounslow. Lambeth. Islington. Ealing.
Bradford Chamber of Commerce.	Mike Cartwright.
Child Poverty Board.	Cindy Peek – Deputy Director, Children’s Services.
Bradford University.	Dr Peter Prowse. Dr Jo McBride. Dr Andrew Smith.
Living Wage Foundation.	Sarah Vero.
Joseph Rowntree Foundation.	Chris Gouldon.
Voluntary Sector.	Caroline Schwaller/Janet Ford.

Indicative Timetable

Date	Milestone
Wednesday 10 October 2012.	DRAFT Terms of Reference to be presented to the Corporate Overview and Scrutiny Committee – for discussion and approval.
Monday 26 November 2012.	Information gathering session – The Living Wage Foundation and Joseph Rowntree Foundation.
Monday 17 December 2012.	Information gathering session – Bradford Council, (Human Resources, Legal, Benefits and Procurement and Commissioning).
Wednesday 9 January 2013.	Information gathering session – Bradford University.
Thursday 31 January 2013.	Interim review findings – to be presented to the Corporate Overview and Scrutiny Committee.
Wednesday 27 March 2013.	Information gathering session – Preston City Council.
Wednesday 8 May 2013.	Information gathering session – Trade Union Representatives.
July 2013.	Final report – to be presented to the Corporate Overview and Scrutiny Committee.

Information Gathering Sessions

Session 1 – Monday 26 November 2012 – setting the scene.

Cllr Rizwan Malik.	Chair – Corporate Overview and Scrutiny Committee.
Cllr Sarah Ferriby.	Deputy Chair – Corporate Overview and Scrutiny Committee.
Cllr Malcolm Sykes.	Corporate Overview and Scrutiny Committee.
Cllr Howard Middleton.	Corporate Overview and Scrutiny Committee.
Cllr Simon Cooke.	Corporate Overview and Scrutiny Committee.
Cllr Keith Dredge.	Corporate Overview and Scrutiny Committee.
Julie Lintern.	Co-Opted Member - Corporate Overview and Scrutiny Committee.
Suzan Hemingway. Matt Burghardt.	City Solicitor – Bradford Council. Assistant Director, Human Resources – Bradford Council.
Cindy Peek.	Assistant Director, Children’s Services – Bradford Council.
Martin Stubbs.	Assistant Director, Revenues and Benefits – Bradford Council.
David Shepherd.	Assistant Director, Housing – Bradford Council.
Wendy Hall.	Strategic Support Manager, Strategy and Policy - Bradford Council.
Mustansir Butt.	Overview and Scrutiny Lead, Bradford Council.

Session 2 – Monday 17 December 2012 – implications for Bradford Council.

Cllr Rizwan Malik.	Chair – Corporate Overview and Scrutiny Committee.
Cllr Sarah Ferriby.	Deputy Chair – Corporate Overview and Scrutiny Committee.
Cllr Martin Smith.	Corporate Overview and Scrutiny Committee.
Cllr Malcolm Sykes.	Corporate Overview and Scrutiny Committee.
Cllr Keith Dredge.	Corporate Overview and Scrutiny Committee.
Cllr Vanda Greenwood.	Corporate Overview and Scrutiny Committee.
Suzan Hemingway. Matt Burghardt.	City Solicitor – Bradford Council. Assistant Director, Human Resources – Bradford Council.

Jill Campbell.	Assistant Director, Commissioning and Procurement – Bradford Council.
Martin Stubbs.	Assistant Director, Revenues and Benefits – Bradford Council.
Mustansir Butt.	Overview and Scrutiny Lead, Bradford Council.

Session 3 – Wednesday 9 January 2013 – research undertaken in this area.

Cllr Rizwan Malik.	Chair – Corporate Overview and Scrutiny Committee.
Cllr Sarah Ferriby.	Deputy Chair – Corporate Overview and Scrutiny Committee.
Cllr Vanda Greenwood.	Corporate Overview and Scrutiny Committee.
Cllr Martin Smith.	Corporate Overview and Scrutiny Committee.
Cllr Simon Cooke.	Corporate Overview and Scrutiny Committee.
Cllr Carol Thirkhill.	Corporate Overview and Scrutiny Committee.
Cllr Alyas Karmani.	Corporate Overview and Scrutiny Committee.
Cllr Howard Middleton.	Corporate Overview and Scrutiny Committee.
Cllr Keith Dredge.	Corporate Overview and Scrutiny Committee.
Cllr Malcolm Sykes.	Corporate Overview and Scrutiny Committee.
Cllr Adrian Naylor.	Corporate Overview and Scrutiny Committee.
Martin Stubbs.	Assistant Director, Revenues and Benefits – Bradford Council.
Dr Andrew Smith.	Bradford University.
Dr Jo McBride.	Bradford University.
Dr Peter Prowse.	Bradford University.
Mustansir Butt.	Overview and Scrutiny Lead, Bradford Council.

Session 4 – Wednesday 27 March 2013 – experience of Preston City Council.

Cllr Sarah Ferriby.	Deputy Chair – Corporate Overview and Scrutiny Committee.
Cllr Martin Smith.	Corporate Overview and Scrutiny Committee.
Cllr Alyas Karmani.	Corporate Overview and Scrutiny Committee.
Cllr Keith Dredge.	Corporate Overview and Scrutiny Committee.
Cllr Jan Smithies.	Corporate Overview and Scrutiny

Cllr Howard Middleton.

Angela Harrison.

Suzan Hemingway.
Matt Burghardt.

Martin Stubbs.

Mustansir Butt.

Committee.
Corporate Overview and Scrutiny
Committee.
Deputy Chief Executive, Preston City
Council.
City Solicitor – Bradford Council.
Assistant Director, Human Resources –
Bradford Council.
Assistant Director, Revenues and Benefits
– Bradford Council.
Overview and Scrutiny Lead, Bradford
Council.

Session 5 – Wednesday 8 March 2013 – views from Trade Unions/Staff side.

Cllr Rizwan Malik.

Cllr Sarah Ferriby.

Cllr Malcolm Sykes.

Cllr Keith Dredge.

Saba Moussa.
Gary Nesbitt.
Patrick Kerry.
Mustansir Butt.

Chair – Corporate Overview and Scrutiny
Committee.
Deputy Chair – Corporate Overview and
Scrutiny Committee.
Corporate Overview and Scrutiny
Committee.
Corporate Overview and Scrutiny
Committee.
UNISON.
GMB.
UNITE.
Overview and Scrutiny Lead, Bradford
Council.

Bradford Council Pay Structure Chart

Current									Condense Equal Differentials to SCP 12						
SCP	Ann Sal	<u>FTE Affected Council (E & T)</u>	<u>FTE Affected Council (Cas)</u>	<u>FTE Affected Education (E & T)</u>	<u>FTE Affected Education (Cas)</u>	<u>True FTE Affected Council OT</u>	<u>True FTE Affected Education OT</u>	Hourly Rate	Current Differential	Ann Sal	Hourly Rate	Differential	Cost per FTE per Annum	Total Cost Council	Total Cost Education
4	£12,145	66	13	164	0.4	6.3	5.5	6.2951	0.0000	£14,373	7.4500	0.0000	£2,228	£191,053	£377,804
5	£12,312	317	34	21	12.9	12.7	3.8	6.3816	0.0865	£14,470	7.5000	0.0500	£2,158	£790,066	£53,889
6	£12,489	68	51	88	7.2	11.3	1.4	6.4734	0.0918	£14,566	7.5500	0.0500	£2,077	£273,110	£185,701
7	£12,787	34	6	7	0.2	2.6	0.5	6.6278	0.1544	£14,663	7.6000	0.0500	£1,876	£80,065	£14,186
8	£13,189	190	23	80	0.1	17.2	0.6	6.8362	0.2084	£14,759	7.6500	0.0500	£1,570	£371,094	£126,591
9	£13,589	269	8	18	3.2	35.9	3.6	7.0435	0.2073	£14,855	7.7000	0.0500	£1,266	£409,536	£27,861
10	£13,874	18	42	83	1.5	2.1	2.3	7.1913	0.1478	£14,952	7.7500	0.0500	£1,078	£68,033	£92,145
11	£14,733	48	4	117	0.2	2.0	2.6	7.6365	0.4452	£15,048	7.8000	0.0500	£315	£17,260	£37,730
12	£15,039	645	7	61	1.3	7.7	2.2	7.7951	0.1586	£15,145	7.8500	0.0500	£106	£70,039	£6,700
13	£15,444	16	3	281	0.9	14.7	2.9	8.0050	0.2099				£0	£0	£0
14	£15,725	46	9	304	5.5	11.8	13.0	8.1507	0.1457				£0	£0	£0
15	£16,054	116	1	160	0.5	4.1	4.0	8.3212	0.1705				£0	£0	£0
16	£16,440	212	0	130	2.8	6.8	3.2	8.5213	0.2001				£0	£0	£0
17	£16,830	246	3	639	0.7	5.3	10.5	8.7234	0.2021				£0	£0	£0
18	£17,161	59	1	114	0.2	3.8	5.3	8.8950	0.1716				£0	£0	£0
19	£17,802	110	3	106	0.8	5.3	1.5	9.2272	0.3322				£0	£0	£0
20	£18,453	180	0	85	0.1	5.8	2.6	9.5647	0.3375				£0	£0	£0
21	£19,126	565	5	371	0.3	10.3	2.6	9.9135	0.3488				£0	£0	£0
22	£19,621	68	10	77	2.1	3.8	3.5	10.1701	0.2566				£0	£0	£0
23	£20,198	80	0	46	0.0	1.2	0.8	10.4692	0.2991				£0	£0	£0
24	£20,858	95	2	47	0.0	3.5	1.7	10.8113	0.3421				£0	£0	£0
25	£21,519	430	6	260	0.2	3.3	2.1	11.1539	0.3426				£0	£0	£0
26	£22,221	58	1	81	0.2	1.6	3.0	11.5177	0.3638				£0	£0	£0
27	£22,958	95	3	37	0.0	2.1	0.6	11.8997	0.3820				£0	£0	£0
28	£23,708	311	0	139	0.3	1.0	1.3	12.2885	0.3888				£0	£0	£0

29	£24,646	80	1	27	0.4	7.3	2.5	12.7747	0.4862				£0	£0	£0
30	£25,472	172	0	34	0.0	0.5	0.4	13.2028	0.4281				£0	£0	£0
31	£26,276	214	0	146	0.1	1.0	0.2	13.6195	0.4167				£0	£0	£0
32	£27,052	67	1	16	0.0	0.6	1.6	14.0218	0.4023				£0	£0	£0
33	£27,849	133	0	13	0.0	0.6	0.2	14.4349	0.4131				£0	£0	£0
34	£28,636	267	0	33	0.0	2.1	0.4	14.8428	0.4079				£0	£0	£0
35	£29,236	69	2	11	0.3	0.5	0.4	15.1538	0.3110				£0	£0	£0
36	£30,011	209	0	20	0.0	0.9	0.1	15.5555	0.4017				£0	£0	£0
37	£30,851	70	0	5	0.0	2.1	0.2	15.9909	0.4354				£0	£0	£0
38	£31,754	313	0	26	0.0	0.6	0.4	16.4589	0.4680				£0	£0	£0
39	£32,800	18	0	3	0.1	1.8	0.4	17.0011	0.5422				£0	£0	£0
40	£33,661	113	0	6	0.0	0.3	0.5	17.4474	0.4463				£0	£0	£0
41	£34,549	200	0	9	0.0	1.3	0.0	17.9077	0.4603				£0	£0	£0
42	£35,430	22	0	0	0.0	0.8	0.1	18.3643	0.4566				£0	£0	£0
43	£36,313	42	0	3	0.0	0.2	0.2	18.8220	0.4577				£0	£0	£0
44	£37,206	242	1	5	0.0	0.1	0.1	19.2849	0.4629				£0	£0	£0
45	£38,042	21	1	0	0.0	0.0	0.0	19.7182	0.4333				£0	£0	£0
46	£38,961	36	1	1	0.0	0.1	0.6	20.1945	0.4763				£0	£0	£0
47	£39,855	94	0	3	0.0	0.2	0.0	20.6579	0.4634				£0	£0	£0
48	£40,741	11	0	2	0.0	0.6	0.0	21.1171	0.4592				£0	£0	£0
49	£41,616	83	0	4	0.0	0.7	0.2	21.5707	0.4536				£0	£0	£0
Cost of Annual Salary Adjustments													£2,270,256	£922,608	
Oncosts													£522,159	£212,200	
Grand Total	6,818	245	3,883	43	205	90							£2,792,415	£1,134,808	