

## Appendix 2

### **The Living Wage (Pay Policy 2022/2023)**

#### **1. Background**

- 1.1 The Living Wage is an informal benchmark, not a legally enforceable minimum level of pay, like the national minimum/national living wage. The Living Wage calculation takes into account the Centre for Research in Social Policy at Loughborough University Minimum Income Standard, which identifies a core basket of goods needed for a minimum standard of living. Combined with analysis of the actual cost of living including essentials such as rent, council tax, childcare and transport to produce the Living Wage figure.
- 1.2 Appointments Board recommended that with effect from 01 April 2015, the Council commence payment of a Living Wage allowance to existing roles including Higher Level Apprentices, (excluding apprenticeships at advanced level and below, with further amendments excluding internships) and casual workers paid below the Living Wage. Subsequently it was recommended by Personnel Committee (22 January 2019) that this is reviewed annually as part of the Pay Policy Statement. Each year to date since its introduction in 2015 the Living Wage rate has increased and been implemented as below;
- £7.85 effective from 1<sup>st</sup> April 2015
  - £8.25 effective from 1<sup>st</sup> April 2016
  - £8.45 effective from 1<sup>st</sup> April 2017
  - £8.75 effective from 1<sup>st</sup> April 2018
  - £9.00 effective from 1<sup>st</sup> April 2019
  - £9.30 effective from 1<sup>st</sup> April 2020
  - £9.50 effective from 1<sup>st</sup> April 2021
- 1.3 The Living Wage outside of London increased on 15 November 2021 from £9.50 to £9.90 per hour.
- 1.4 The current national minimum/national living wage rates from 01 April 2021 and the published increase for 01 April 2022 are detailed below;

	April 2021	April 2022
National Living Wage (for those aged 23 and over)	£8.91	£9.50
National Minimum wage 21-22 year old rate	£8.36	£9.18
National Minimum wage 18-20 year old rate	£6.56	£6.83
National Minimum wage 16-17 year old rate	£4.62	£4.81
Apprentice rate for those aged under 19 or in their first year of study	£4.30	£4.81

- 1.5 The NJC pay scales current minimum point (2020/2021) is £9.25 per hour, the pay award for 2021/22 and 2022/23 are still pending, therefore potentially this may increase further following confirmation of the NJC nationally negotiated pay award being agreed (where applicable). Presently, the anticipated pay award for 2021/22 is 2.75% on SCP1 and 1.75% on SCP2 and above, although not yet agreed, based on this award it would mean a minimum point for NJC pay scales of £9.50 per hour.
- 1.6 Employees on JNC, Soulbury and teachers terms and conditions, all exceed the minimum rate of £9.90.

## **2. Living Wage Allowance in Walsall Council**

- 2.1 Based on the current employment data as at 31 October 2021, and taking into account any incremental progression due on 1st April 2022 and the anticipated pay award for 2021/22 of 2.75% on SCP1 and 1.75% on SCP2 and above, there will be 23 employees who fall below the real living wage rate of £9.90 per hour.

In addition to these there are 10 higher-level apprentices within scope paid an hourly rate below the real living wage.

- 2.2 In addition to the above (again taking into account the anticipated pay award for 2021/22 of 2.75% on SCP1 and 1.75% on SCP2 and above), the Council also has approximately 121 people that work on a 'casual' basis at rates in the pay structure less than £9.90 per hour, which are eligible for the real living wage allowance adopted by the Council.
- 2.3 Schools have the delegated power to decide where to appoint employees on the pay scale and could therefore choose not to apply the Living Wage (even if the council has decided to implement it).
- 2.4 Foundation, Voluntary Aided Schools and Academies are separate employers so are outside of any decisions the Council may take regarding pay.