

## Appendix 2

### **The Living Wage (Pay Policy 2024/2025)**

#### **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
  - £9.90 effective from 1<sup>st</sup> April 2022
  - £10.90 effective from 1<sup>st</sup> April 2023
- 1.3 The Living Wage outside of London increased on 24 October 2023 from £10.90 to £12.00 per hour.
- 1.4 From 1 April 2024, workers aged 21 and over will be entitled to the Governments National Living Wage\*.
- 1.5 The current national minimum/national living wage rates from 01 April 2023 and the published increase for 01 April 2024 are detailed below;

	April 2023	April 2024*
National Living Wage (for those aged 23 and over*)	£10.42	£11.44
National Minimum wage 21-22 year old rate	£10.18	
National Minimum wage 18-20 year old rate	£7.49	£8.60
National Minimum wage 16-17 year old rate	£5.28	£6.40
Apprentice rate	£5.28	£6.40

- 1.6 The NJC pay scales current minimum point (2023/2024) is £11.59 per hour, the pay award for 2024/25 is yet to be decided, therefore potentially this may increase further following confirmation of the NJC nationally negotiated pay award being agreed (where applicable).
- 1.7 Employees on JNC Youth & Community Workers terms and conditions minimum point (2022/23) is £11.18 per hour, the pay award for 2023/24 and 2024/25 is yet to be decided.
- 1.8 Employees on Soulbury and Teachers terms and conditions, all exceed the living wage rate of £12 per hour.

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

- 2.1 Based on the current employment data as at 31 October 2023, and taking into account any incremental progression due on 1st April 2024, there will be 336 NJC employees who fall below the real living wage rate of £12.00 per hour. This figure is higher due to not knowing the pay award for next year.
- 2.2 There is currently 1 JNC Youth & Community Worker who falls below the real living wage rate of £12.00 per hour.
- 2.3 There are 7 higher-level apprentices within scope paid an hourly rate below the real living wage.
- 2.4 In addition to the above, the council also has approximately 209 people that work on a 'casual' basis at rates in the pay structure less than £12.00 per hour, which are eligible for the real living wage allowance adopted by the council.
- 2.5 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).
- 2.6 Foundation, Voluntary Aided Schools and Academies are separate employers so are outside of any decisions the council may take regarding pay.