
Report To:	The Inverclyde Council	Date: 5 December 2013
Report By:	Acting Corporate Director Environment, Regeneration & Resources	Report No: RMcG/LA/1120/13
Contact Officer:	Rona McGhee	Contact No: 01475 712113
Subject:	The Living Wage - Request by Councillor McCabe	

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Council to consider a request by Councillor McCabe.

2.0 SUMMARY

- 2.1 Councillor McCabe has requested that the Council agree to the inclusion of the attached **APPENDIX** section on the Living Wage within all Council tenders with immediate effect.
- 2.2 Members will be aware that the Council currently pays the Living Wage to all its employees.

3.0 RECOMMENDATION

- 3.1 That the Council consider the request from Councillor McCabe.

Rona McGhee
Legal & Democratic Services

APPENDIX

Section to be incorporated within all Council tenders

The Living Wage

Inverclyde Council pays all its employees the Living Wage and encourages all suppliers to do likewise.

What is a Living Wage?

Living Wage is a term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition for a person for an extended period of time (lifetime). This standard generally means that a person working full time, with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health care, and recreation.

Does this apply only to Council staff?

No. The idea behind the Living Wage is to encourage employers to raise their own rates of pay – and those of contract staff – to at least £7.50.

Why £7.50 an hour?

This figure is based on research carried out by the **Joseph Rowntree Foundation** which looked at developing a formula for calculating a minimum income standard. For their purposes, a Living Wage could be defined as the level of income needed to provide an acceptable standard of living in Britain to ensure good health, adequate child development and social inclusion.

Will the Council only award work to contractors who pay the Living Wage?

The Council is keen to widen the impact of the policy and will work within the current legislative framework to encourage contractors to pay the Living Wage. It is important that companies who benefit from public money can demonstrate that they are putting something back into their communities and we intend to use our procurement to raise standards of pay.

What benefits do the employers receive?

Paying a Living Wage offers clear benefits to employers.

The payment of a Living Wage can have a positive impact of value for money and service delivery. Feedback from suppliers who have implemented the Living Wage has identified benefits including:

- Easier recruitment and retention, reducing recruitment costs
- Higher quality staff
- Better attendance
- Better productivity, motivation and loyalty
- Better quality of service

Please advise if you adhere to the 'Living Wage'.

Response: YES NO (please comment)

TENDERERS PLEASE NOTE – This question will not be scored and will not impact your response. Inverclyde Council are keen to widen the impact of this policy and will work within the current legislative framework to encourage contractors to pay the Living Wage for Inverclyde Council purposes only.