

# **OVERVIEW AND SCRUTINY COMMITTEE**

**5th February 2013**

## **LIVING WAGE – SCRUTINY PROPOSAL**

Relevant Portfolio Holder	Councillor Philip Mould, Portfolio Holder for Corporate Management.
Portfolio Holder Consulted	The Portfolio Holder was present at the meeting of Council when Members agreed to refer this item to the Overview and Scrutiny Committee.
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources.
Ward(s) Affected	No specific ward relevance.
Non-Key Decision	

### **1. SUMMARY OF PROPOSALS**

The Overview and Scrutiny Committee has been asked by Council to consider investigating proposals for all employees at the Council to receive a living wage as a minimum and to report to the Executive Committee on the full implications of this arrangement for staffing and financial costs. This report outlines the approaches that the Overview and Scrutiny Committee could adopt to considering this item.

### **2. RECOMMENDATIONS**

The Committee is asked to **RESOLVE** on one of the following options:

- 1) that the item is included on the Overview and Scrutiny Work Programme for the Overview and Scrutiny Committee to investigate, subject to broad terms of reference and a deadline being set; OR**
- 2) that the item is included on the Overview and Scrutiny Work Programme for a Task Group to investigate, subject to detailed terms of reference and a deadline being set; OR**
- 3) that additional information be requested from a relevant source before deciding whether or not further investigation is required; OR**
- 4) that no further action be taken.**

### **3. KEY ISSUES**

#### **Background**

- 3.1 A Notice of Motion in respect of the Living Wage was submitted for the consideration of Council on 15th January 2013. During the course of the meeting there was considerable discussion of the motion, as detailed in the

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relevant minute from that meeting (Appendix 1). However, it was eventually determined that the subject should be referred to the Overview and Scrutiny Committee for further investigation.

- 3.2 The Overview and Scrutiny Committee has the power to determine the content of the Committee's Work Programme. If the Committee decides that the subject deserves further investigation there are various options available to enable Members to undertake a review. Whichever option the Committee selects Members are advised to consider setting terms of reference and a deadline for completion of the work, in accordance with best practice.
- 3.3 The issue could be reviewed by the Overview and Scrutiny Committee at a series of meetings. When considering this option Members should consider the existing size of the agenda for forthcoming meetings of the Committee and the potential impact this might have on effective scrutiny of the subject.
- 3.4 Alternatively, the Overview and Scrutiny Committee could establish a Task Group to review this subject. If a Task Group is established a member of the Committee will need to be appointed to Chair the review. Members are also advised to limit to a maximum of five the number of members of the review to ensure that the exercise can be completed in a timely manner.
- 3.5 The Overview and Scrutiny Committee may conclude that additional information is required to enable Members to determine whether a review should be launched. In this context the Committee could request further details from relevant Officers.
- 3.6 Overview and Scrutiny Committees at Bromsgrove District Council and Worcestershire County Council have similarly been asked to consider reviewing the subject of the living wage. If the Redditch Overview and Scrutiny Committee decides to review this subject Members may want to consider the respective work of each local authority as part of the review.
- 3.7 The Committee is not obliged to review every item referred by Council and the Executive Committee and may determine that this subject is not suitable for further scrutiny. However, if the Committee does decide not to review this item Members should provide clear reasons for rejecting the subject.

**Financial Implications**

- 3.8 There are no financial implications directly relating to this report. However, if the proposal is accepted, any financial implications would need to be considered as part of the subsequent investigation.

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**Legal Implications**

- 3.9 There are no legal implications directly relating to this report. However, if the proposal is accepted, any legal implications would need to be considered as part of the subsequent investigation.
- 3.10 There is an accreditation process for becoming recognised as honouring the living wage. This could be used as a framework for the Committee's investigation and for confirming the legal aspects.

**Service / Operational Implications**

- 3.11 A review of whether to pay the living wage of £7.45 per hour as a minimum would have implications for the Council's Human Resources Department in particular. If a review of this subject matter is approved Members would need to consult with representatives of the service.

**Customer / Equalities and Diversity Implications**

- 3.12 No direct customer or equality and diversity implications have been identified for this report.

**4. RISK MANAGEMENT**

No risks have been identified.

**5. APPENDICES**

Appendix 1 - Extract from the minutes of the meeting of Council held on Tuesday 15th January 2013.

**AUTHOR OF REPORT**

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