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**SCHOOLS FORUM AGENDA ITEM**

For Action For Information

***Brief Description of Item*** *(including the purpose / reason for presenting this for consideration by the Forum)*

**The Schools Forum is asked to provide feedback to Council on the proposal to seek to implement a living wage in schools.**

***Date (s) of any Previous Discussion at the Forum***

Council’s proposal was initially briefly considered by Members at the last meeting 11 March 2015.

***Background / Context***

The Living Wage Campaign was launched in 2001. The current standard rate stands at £7.85\* per hour and is based on an estimate of the costs of a socially acceptable minimum standard for a range of households.

Nationally, 115 local authorities have implemented a living wage with a further 13 having made a firm commitment. Regionally, Barnsley, Doncaster, North East Lincolnshire, Rotherham, Scarborough and Sheffield pay a living wage. The West Yorkshire Combined Authority Lower Paid Workers Group has produced a Living Wage Charter to which the 5 West Yorkshire Councils (Bradford, Calderdale, Kirklees, Leeds, Wakefield) and York Council have given their backing. Plans are being made for the implementation of the charter entitled “No Silver Bullet – Doing more to support our lower paid workers.” The charter contains 10 recommendations, one of which is the introduction of the current living wage hourly rate.

The implementation of a living wage forms part of the Council’s strategy to boost the local economy in a sustainable way.

The Council has committed to the implementation of a living wage hourly rate of £7.85 for non-schools Council staff from mid 2015/16, allowing time for consultation with staff and trade unions about implementation. Adopting this rate will benefit 2,160 of the Council’s lowest paid staff, most of whom work part-time. Please note that implementation of this does not commit the Council to pay any future increases in living wage rate; such decisions will be considered in the annual budget consultation and setting processes. The Council also resolved on 26 February to engage in appropriate discussion and consultation with schools about the implications for schools staff with a view to the implementation of a similar measure. The Council anticipates that schools will also wish to implement this policy.

The benefits for employers have been clearly identified. Research from the Living Wage Foundation reports the following (average) benefits:-

* Staff absences dropped by 25%
* Better customer service, fewer complaints and enhanced loyalty
* 80% of the workforce believe it has improved their performance
* Staff turnover dropping to 1% from 4%
* 80% of employees feel their staff delivered better quality of work
* Improved awareness of customers viewing the organisation as an ethical one

Other research routinely mentions improved morale due to improved work life balance from not having to take on additional work to enjoy a basic standard of living. It has also been argued that lower paid workers tend to spend a greater proportion of their income in local shops and on local services than wealthier people, thus providing an important stimulus to the local economy.

A report will be taken to the Executive in June, which will set out the more detailed costs, report feedback from the initial Schools Forum and trade union consultations and outline the main implications that need to be considered prior to implementation.

\*£7.85 per hour is close to the current NJC scale point 11, which is £7.88 per hour.

***Details of the Item for Consideration***

Key details regarding the potential implementation of a living wage £7.85 hourly rate in schools:

* Based on analysis, using February payroll data, it is estimated that the full year cost of implementing the £7.85 per hour rate in maintained schools only (excluding academies) is £1.06m. It must be stressed that this is an estimate; Bradford Council does not have access to detailed payroll data for all schools (as a number use external payroll providers or manage their own payroll). Therefore, an element of the £1.06m estimated cost has been calculated using median averages. It must also be stressed that this estimate does not take account of any knock-on implications e.g. in possible pressure to maintain pay differentials for staff with supervisory responsibilities (as identified for consideration below).
* The broad categories of types of employees that would be affected are: administrative staff, catering staff, cleaning staff, premises staff, lunchtime supervisors, teaching assistants, other support staff. Casual workers should also receive this living wage.
* The implications for individual schools vary according to the numbers of these staff employed and also whether they directly employ catering / cleaning staffing or outsource these services to Bradford Council FM Contract Services or to external providers. Using the estimated analysis, it appears that the cost will generally be greater in larger primary and secondary schools, as these are more likely to employ their own cleaning and catering staffing. For illustrative purposes, the median averages by phase for the maintained schools we do have detailed payroll information for are:
  + Nursery schools £3,046
  + PRUs £1,364
  + Special schools £5,771
  + Primary schools £5,420
  + Secondary schools £8,610
* Many of the employees of the Council’s Catering and Cleaning Services will be eligible for a living wage. It is not envisaged that service prices will increase in year.
* The single status hierarchy of job evaluations is not affected. It is only the starting salaries for some jobs that would be affected.

At the last meeting the Forum briefly considered this proposal. The minutes record:

*Members then expressed some initial thoughts on the Executive’s proposal on the implementation of a living wage, prior to more formal consultation. Members recognised the moral imperative (child poverty imperative) behind this policy. Members also asked initial questions about implications and knock on costs e.g. for the differentials in the pay of other staff currently above a living wage. It was recognised that the knock-on implications will need to be thought through carefully. A Member also asked what the implications would be for the new pay structure that has just been implemented and expressed a concern about how complicated these matters have become. It was explained that further details about the Executive’s living wage proposal will be provided for the Forum to consider.*

Key parameters for the Forum to consider in providing feedback to the Council on the proposal then are:

* This policy would be implemented within existing values of delegated budgets. School Funding Team, in its initial discussions with individual schools about budgets, has found that a number of schools are making provision for a living wage (using a simple estimate of scale point 11 within their HCSS Software).
* There will be a knock on cost to pay enhancements such as overtime and shift allowances. Schools will need clear guidance on the implications and implementation.
* For pay equality reasons, where the Council implements a £7.85 per hour living wage rate for non-school staff, community and voluntary controlled schools would be required to implement this. This is because, for these schools, the Council is the employer.
* All other types of maintained school (voluntary aided, trust and foundation) and academies, and other providers (including Further Education settings) would not be required per se to implement this, as Bradford Council is not the employer. However, there potentially would be a ‘moral’ pressure to do so, and also ‘market forces’ may necessitate this.

***Details of the Item for Consideration***

* There potentially will also be knock-on implications to maintain the differential in pay for staff with supervisory responsibilities who are currently paid below, or slightly more than, the £7.85 per hour rate. This would need to be carefully considered, especially in community and voluntary controlled schools, where individual schools must not, for pay equality reasons, vary from the Council’s agreed pay and grading structure. This is likely to be something that will need to be considered and managed corporately across the whole Council, including schools. Again, schools will need clear guidance and support in implementing this correctly.

**The Schools Forum is asked to consider the proposal to implement a living wage in schools, as described in this paper, and to provide feedback to Council. This feedback will be considered by the Executive in June. Feedback should include whether the Forum supports the proposal and what specific matters should be considered.**

**Forum Members are also asked to consider whether wider consultation with schools and academies should take place, and if so, how this is best delivered, accepting that time for such consultation prior to the Executive’s meeting in June is limited e.g. through the Partnerships, a letter / questionnaire to schools.**

**Forum Members may also wish to provide feedback on what support and guidance the Council should provide to schools, academies and other providers to ensure correct implementation.**

***Implications for the Dedicated Schools Grant (DSG)*** *(if any)*

The implementation of a £7.85 living wage rate will have implications for individual delegated budgets (estimated direct full year cost of £1.06m for maintained schools only). This would be funded within existing resources available to schools and academies.

***How does this item support the achievement of the District’s Education Priorities***

Linking very strongly with the Council’s child poverty and economic development strategies. Research evidences work-force benefits, including lower absence, lower mobility and higher morale, to the benefit of educational outputs in schools.

***Recommendations***

**The Schools Forum is asked to provide feedback to Council on the proposal to seek to implement a living wage in schools.**

***List of Supporting Appendices / Papers*** *(where applicable)*

None

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