
**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 27 August 2014
Finance Scrutiny Committee – 28 August 2014

Subject: Living Wage Task and Finish Group

Report of: Governance and Scrutiny Support Unit

Summary

This report sets out the proposed terms of reference and work programme for the Living Wage Task and Finish Group.

Recommendations

The Committee is invited to:

1. Appoint the membership and chair of the task and finish group.
 2. Agree the terms of reference for the task and finish group.
 3. Agree the work programme of the task and finish group, which will be reviewed by the group at each of its meetings.
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Wards Affected: All

Contact Officers:

Eleanor Fort
Scrutiny Support Team Leader (Acting)
0161 234 4997
e.fort@manchester.gov.uk

Background documents (available for public inspection):

None

Appendices

Appendix 1 – Terms of Reference
Appendix 2 – Work Programme

1.0 Introduction

1.1 At its meeting on the 26 March 2014, the Council carried a motion supporting the principle of introducing a Living Wage for all of the Council's directly and indirectly employed staff, including staff employed by the Council's contractors and sub-contractors, and employees in the city's schools.

1.2 The purpose of this task and finish group is to oversee the implementation of the Living Wage as far as possible.

2.0 Background

2.1 The full text of the motion passed by Council is as follows:

This Council recognises:

- that tackling in-work poverty is a high priority for Manchester, given that many families don't earn enough to have a decent quality of life, despite working full-time and receiving in-work benefits
- that the many Manchester residents who are stuck in cycles of unemployment and low-paid work make a substantial contribution to the city's prosperity
- that earning a Living Wage would help some of the poorest workers in the city deal with the unprecedented pressures on their incomes; and that the non-London Living Wage rate, endorsed by the Living Wage Foundation, applies to Manchester
- that many businesses – large and small and across many sectors – pay a Living Wage to their staff, and the Council commends them for doing so
- that there are many advantages to paying a Living Wage – many businesses report higher retention, and higher quality of staff and work
- that across the country many local authorities have been able to pay a Living Wage, and have overcome the legal and financial obstacles of becoming accredited by the Living Wage Foundation
- that in paying staff first the Manchester Minimum Wage from 2009, and then the Living Wage from this year, the most challenging steps have already been taken
- that more can be done to help the low paid: such as requiring it of, or commending it to, contractors, sub-contractors, agency workers, school staff and employers in the wider economy

Therefore, this Council:

- supports the principle of both introducing and maintaining a Living Wage for all of the Council's directly employed staff, and of this being a requirement in contracts and sub-contracts, including agency workers and school staff
- will ask all those it contracts and sub-contracts, now and in future (including agency workers and school staff) whether they currently pay a Living Wage and if they are willing to do so
- will launch a member-led task and finish group to oversee the implementation of the Living Wage as far as possible, and to investigate:
 - if the Council can require contractors to pay a Living Wage on a case-

- by-case basis for all existing and future contracts;
- whether the Council should apply for accreditation from the Living Wage Foundation; and
- how the Living Wage can be extended out across Greater Manchester.
- will ensure the terms of implementing a Living Wage are negotiated through the recognised trade union(s)
- encourages members to urge the partner organisations they engage with – such as schools, colleges and housing associations – to pay the Living Wage
- will annually publish the most detailed statistics possible on low-paid staff who the Council directly employs, contracts, sub-contracts, hires as agency staff and school staff; and on low pay in general across Manchester and Greater Manchester.

3.0 Recommendations

3.1 The proposed terms of reference of the Living Wage Task and Finish Group comes contains elements of the remits of both the Economy Scrutiny Committee and the Finance Scrutiny Committee. It is therefore proposed that this is a joint task and finish group.

3.2 The committees are invited to consider the draft Terms of Reference and Work Programme attached to this report, and make any amendments that they wish.

3.3 Each committee is recommended to appoint three members to the task and finish group.

Appendix 1

Title	Living Wage Task and Finish Group
Membership	To be agreed by the Economy Scrutiny Committee at its meeting on 27 August 2014 and the Finance Scrutiny Committee at its meeting on 28 August 2014. Each committee is recommended to nominate three members.
Lead Executive Members	Councillor Sue Murphy Councillor John Flanagan
Strategic Directors	Richard Paver, City Treasurer Geoff Little, Deputy Director (People) Eddie Smith, Strategic Director Strategic Development
Lead Officers	Angela Harrington, Head of Regeneration David Houlston, Principal Policy Officer, Regeneration Ian Brown, Head of Corporate Procurement Sharon Kemp, Assistant Chief Executive (People)
Contact officer	Eleanor Fort – Scrutiny Support Team Leader (Acting)
Objectives	Following the resolution by the Council at its meeting on 26 March 2014 to introduce a Living Wage for all of the Council's directly and indirectly employed staff and to promote its introduction across the city, the objectives of this task and finish group are: <ol style="list-style-type: none"> 1. To determine how the Council as an employer and procurer of services can maximise the number of people in the city earning the Living Wage. 2. To develop an understanding of how other authorities have introduced a Living Wage and identify the best model for introducing a Living Wage in Manchester. 3. To develop a step by step plan to implement the Living Wage in all of Manchester's schools, the Council's contractors and sub-contractors as soon as is practicable. 4. To establish a strong social and economic case of the benefits that introducing a Living Wage will bring to the city, which links to the Council's strategic priorities. 5. To ensure that the introduction of a Living Wage will continue to be meaningful in the long term and resilient to changes in national policy and legislation.
Key Lines of Enquiry	<ol style="list-style-type: none"> 1. To gain an understanding of the background in introducing a Living Wage and its applicability in Manchester. To also understand the legal and financial implications of introducing a Living Wage in Manchester. 2. To consider examples of other local authorities who have introduced a Living Wage, and how their models and

	<p>experiences could be applied in Manchester.</p> <ol style="list-style-type: none"> 3. To determine what measures need to be taken to introduce a Living Wage in Manchester for the Council’s directly and indirectly employed staff. 4. To determine what measures need to be taken to introduce a Living Wage in Manchester for organisations that the Council procures services from and commissions to provide services. 5. To gain an understanding of the wider economic impact on businesses of adopting a Living Wage. 6. To determine how the Council can act to influence other organisations in the city to introduce a Living Wage, including the private, public and third sectors. 7. To determine the legal implications of introducing a Living Wage, with particular reference to contracts for services that the Council procures.
Operation	This task and finish group will report its findings to the Economy Scrutiny Committee and Finance Scrutiny Committee by submitting minutes to the committees. The task and finish groups final report will be submitted to the committees, which will be asked to endorse its recommendations.
Access to Information	<p>Meetings of the task and finish group will be open to members of the media and public except where information which is confidential or exempt from publication is being considered.</p> <p>Papers for the task and finish group will be made available to members of the media and public on the Council’s website and the main entrance to the Town Hall except where information which is confidential or exempt from publication is being considered.</p>
Schedule of Meetings	To hold three substantive meetings in September, October and November 2014. To hold one additional meeting in January to agree the final report.
Commissioned	July 2014

Appendix 2

**Economy Scrutiny Committee and Finance Scrutiny Committee
Living Wage Task and Finish Group
Draft Work Programme**

Meeting 1 (September)				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Background	<p>To receive an overview of the background in introducing a Living Wage and its applicability in Manchester.</p> <p>To include up to date information from the Centre for Local Economic Strategies (CLES) on their monitoring of the impact that the Council's procurement has in the city. To include information on whether organisations the Council procures from pay their staff a Living Wage, if available.</p>	<p>Councillor Sue Murphy</p> <p>Councillor John Flanagan</p>	<p>Angela Harrington</p> <p>David Houlston</p> <p>Ian Brown</p>	<p>Invitation to Tom Skinner, Living Wage 4 Manchester Campaign and John Holden or Stephen Overell of New Economy</p>
Best Practice	<p>To consider examples of other local authorities who have introduced a Living Wage.</p> <p>To consider:</p> <ul style="list-style-type: none"> • The different models that other local authorities have introduced • Their successes and failures • Which model would work best for Manchester, and how Manchester can learn from their experiences • The position of Greater Manchester's other local authorities and public sector organisations <p>To consult with:</p> <ul style="list-style-type: none"> • all other Greater Manchester Councils about their own 	<p>Councillor Sue Murphy</p> <p>Councillor John Flanagan</p>	<p>Angela Harrington</p> <p>David Houlston</p>	<p>To invite representative from Salford Council.</p>

	<p>position</p> <ul style="list-style-type: none"> • other exemplar authorities, (specifically Islington) • the Living Wage Foundation, and • relevant trade unions. 			
Terms of Reference and Work Programme	To note the task and finish group's terms of reference and agree its work programme.	N/A	Eleanor Fort	

Meeting 2 (October)				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Schools	To consider employees of schools, both maintained by the local authority and academies/free schools. To understand what the Council's role is in the context of schools' employees; the different types of school and what steps would need to be taken to introduce a Living Wage in the city's schools.	Councillor Sheila Newman	John Edwards Angela Harrington David Houlston	To invite trade unions
Procurement and commissioning	<p>To consider in detail what steps would need to be taken to ensure that all organisations that the Council procures services from or commissions to provide services pay all staff a Living Wage.</p> <p>To consider the legal and financial implications of introducing a Living Wage for organisations that the Council procures or commissions services from.</p> <p>To consider the costs of introduction in different types of organisations. To also consider the scope for the Council and other bodies to meet the costs of introducing the Living Wage without having to reduce service levels.</p>	Councillor John Flanagan	Ian Brown Hazel Summers Liz Treacy	
Work Programme	To agree the work programme.	N/A	Eleanor Fort	

Meeting 3 (November)				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Wider economic impact	<p>To establish what social and economic benefits introducing a Living Wage in Manchester would bring to the city, and how this links to the Council's strategic priorities.</p> <p>To consider how the Council can influence organisations in the city to introduce a Living Wage.</p> <p>To include how to do this in private, public and third sector, and the different methods that would be most effective in each.</p> <p>To consider the wider economic issues that organisations will need to consider when introducing the Living Wage, such as reduced profit and the impact on businesses.</p>	Councillor Sue Murphy	Angela Harrington David Houliston David Regan	Invitation to Macc, housing associations, non public sector unions and the Chamber of Commerce
Long term impact	<p>To consider the long term implications of introducing a Living Wage in Manchester.</p> <p>To establish measures to ensure that Manchester's Living Wage will continued to be maintained and fit for purpose in the long term, and resilient to changes in national and local policy and legislation.</p>	Councillor Sue Murphy	Angela Harrington David Houliston David Regan	
Plan	Based on discussions in this and previous meetings, to establish a draft plan of the next steps that need to be taken to implement this policy.	Councillor John Flanagan Councillor Sue Murphy	Angela Harrington David Houliston Sharon Kemp Ian Brown	
Work Programme	To agree the work programme.	N/A	Eleanor Fort	

Meeting 4 (January)				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Final Report	To agree the final report and recommendations of the Task and Finish Group.	Councillor Sue Murphy Councillor John Flanagan	Eleanor Fort	