

<b>SUBJECT:</b>	<b>REAL LIVING WAGE ACCREDITATION</b>
<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>6<sup>th</sup> November 2024</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

- 1.1 To seek approval for the authority to begin the process of becoming an accredited Real Living Wage employer, to ensure that those in our supply chains are paid a wage that recognises the true cost of living.

**2. RECOMMENDATIONS:**

- 2.1 To proceed with an evaluation of the authority's supply chain in order to determine the costs associated with paying the real living wage to employees of third parties contracted to work at the authority's sites.
- 2.2 To bring forward a further report in due course detailing the plan to pay this rate to contractors, including the potential costs involved.
- 2.3 Subject to recommendation 2.2 being fulfilled, to pursue accreditation as a Real Living Wage employer.

**3. KEY ISSUES:**

- 3.1 The Real Living Wage is an unofficial hourly rate of pay overseen by the Living Wage Foundation. It is based on the cost of living and is set according to how much people need to earn in order to afford a decent standard of living. It is not a legal requirement, and organisations choose whether to pay it. It is different to the National Minimum Wage and the National Living Wage, both of which are set by the UK Government. It is presently set at £12 compared to £11.44 for the National Living Wage.
- 3.2 Becoming an accredited Real Living Wage employer is consistent with the aspirations of the Social Partnership and Public Procurement (Wales) Act and the council's Socially Responsible Procurement Strategy.
- 3.3 Monmouthshire County Council has been paying its employees the Real Living Wage for more than ten years, going back to 1<sup>st</sup> April 2014. We are not presently an accredited employer. To achieve this status, we would need to extend this commitment and put in place plans to review our supply chain and make arrangements so that people who are employed by our contracted third-party suppliers are also paid the Real Living Wage. This covers services but not goods. Specifically, it applies to contractors who have staff working

on our sites or other locations where we work (such as in peoples' homes) for two hours a week or more for at least eight weeks.

- 3.4 As the authority already pays the Real Living Wage to its directly employed staff, the specific steps needed are:
- Pay the Real Living Wage to all directly employed staff over the age of 18;
  - Have a plan to extend the Real Living Wage to all regular sub-contracted staff. This involves identifying third-party staff who work regularly on the premises, or other sites where the organisation carries out work.
  - Ensure that payment of the real Living Wage is included in all relevant procurement processes for contracted workers.
  - Complete and submit an application form.
- 3.5 In Wales, Cynnal Cymru works in partnership with the Real Living Wage Foundation to support employers with accreditation. Initial meetings have been held with Cynnal Cymru and the procurement team at Ardal, the shared procurement service hosted by Cardiff Council. These have informed our understanding of the pathway to accreditation. Cardiff Council has been an accredited Real Living Wage employer since 2015. More recently Bridgend and Rhondda Cynon Taff Councils have achieved accredited status and Powys Council has committed to becoming accredited.
- 3.6 Subject to approval, officers will continue to work with Cynnal Cymru on the application process. Following accreditation, the Council can use the accredited logo and will be registered on the Real Living wage Foundation's website. Accreditation is subject to annual monitoring

#### **4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

- 4.1 Initial analysis has identified that this will have a positive effect on groups possessing protected characteristics, who are disproportionately likely to have lower incomes or be in debt, and experience problems related to these.
- 4.2 The analysis also highlights a positive effect on the authority's application of the socio-economic duty and the national well-being goals established by the Well-being of Future Generations Act. There were no effects, either positive or negative, on the Welsh Language or safeguarding.

#### **5. OPTIONS APPRAISAL**

- 5.1 A full options appraisal will be developed when the costs of implementation have been received.

#### **6. EVALUATION CRITERIA**

6.1 Research by Cardiff Business School has identified that 94% of Living Wage Employers benefited from the accreditation, with employers reporting improvements in recruitment and reputation.

6.2 Full evaluation criteria will be developed as part of the evaluation of the supply chain outlined above.

**7. REASONS:**

7.1 To progress with the commitment in the Community and Corporate Plan for Monmouthshire to be a fair place to live and respond to recent increases in housing, food and fuel prices and the increased cost of living.

**8. RESOURCE IMPLICATIONS:**

8.1 As contracts are renewed or new ones awarded, suppliers would need to commit to paying the Real Living Wages as part of their contractual arrangements with the authority. This is likely to lead to an uplift in costs for some contracts. The potential financial impact of any uplifts cannot be accurately determined at this stage, as it will depend very much on the nature of contracts being renewed into the future. A further report about the plans and resource implications for paying the RLW to contractors will be brought to Cabinet in due course.

8.2 Welsh Government have already provided funding to ensure that all care workers in Wales are paid the Real Living Wage and this has been implemented in Monmouthshire. The authority already pays the Real Living Wage to its own staff.

**9. CONSULTEES:**

Strategic Leadership Team  
Cabinet

**10. BACKGROUND PAPERS:**

None

**11. AUTHORS**

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