

**SUBJECT: REAL LIVING WAGE ACCREDITATION**

**MEETING: Cabinet**

**DATE: 17 September 2025**

**1 PURPOSE:**

- 1.1 To seek approval for the Authority to commit to becoming an accredited Real Living Wage Employer; ensuring that those in our supply chains are paid a wage that recognises the true cost of living.

**2 RECOMMENDATIONS:**

- 2.1. To approve the commitment for the Authority to become an accredited 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 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. The Real Living Wage is currently set at £12.60 per hour, compared to £12.21 per hour 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 2023, The Future Generations Report 2025 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 1st April 2014. We are not currently an accredited employer. To achieve this status, we would need to extend this commitment and put in place a plan 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 people's 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:

- 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. A Cabinet decision was made, on 6<sup>th</sup> November 2024, to proceed with an evaluation of the Authority's supply chain, in order to determine whether there would be any cost associated with paying the Real Living Wage to employees of third parties who are contracted to work at the Authority's sites. Consequently, discussions have been held with Cynnal Cymru and the Procurement Team at Ardal, the shared procurement service hosted by Cardiff Council. These discussions have informed our understanding of the pathway to accreditation and supported the evaluation of the Authority's supply chain. This evaluation determined that there is one supplier of services who pays the National Minimum Wage, as opposed to the Real Living Wage. When this contract is retendered, it will need to include a requirement for contractors to pay the Real Living Wage which could result in a higher price for the contract. As part of an application to become an accredited Real Living Wage Employer, the Council would need to have a plan in place to extend the Real Living Wage to all regular sub-contracted staff.
- 3.6 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 and Newport Council have committed to becoming accredited.
- 3.7 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 wellbeing goals established by the Wellbeing of Future Generations Act 2015. There were no effects, neither positive or negative, identified at this stage of implementation on Welsh Language or safeguarding.

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

- 5.1 Becoming an accredited Real Living Wage Employer will support Monmouthshire County Council's aspirations aligned to the Social Partnership and Public Procurement (Wales) Act 2023, The Future Generations Report 2025 and the Socially Responsible Procurement Strategy. Following accreditation, the Council can use the accredited logo and will be registered on the Real Living Wage Foundation's website, which will support recruitment, retention and procurement approaches in Monmouthshire County Council. This option is

therefore considered a positive step forward, in recognition of existing practices and the current motivation for progression.

- 5.2 Not becoming an accredited Real Living Wage Employer would not support Monmouthshire County Council's aspirations aligned to the Social Partnership and Public Procurement (Wales) Act 2023, The Future Generations Report 2025 and the Socially Responsible Procurement Strategy. It would also not support recruitment, retention and procurement approaches in Monmouthshire County Council. This option is therefore considered as a negative approach, failing to recognise existing practices and the current motivation for progression.

## **6. EVALUATION CRITERIA:**

- 6.1 Research by Cardiff Business School has identified that 94% of Real Living Wage Employers benefited from the accreditation, with employers reporting improvements in recruitment and reputation.
- 6.2 The approval to become an accredited Real Living Wage Employer does not require any specific decisions to be made which could have a negative impact on any group or individual within the Council. Please see the Integrated Impact Assessment included at Appendix 1.

## **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 Wage 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.
- 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.
- 8.3 The evaluation of the Council's supply chain, in order to determine whether there would be any cost associated with paying the Real Living Wage to employees of third parties contracted to work at the Authority's sites, determined that there is one supplier of services who pays the National Minimum Wage, as opposed to the Real Living Wage. When this contract is retendered, it will need to include a requirement for contractors to pay the Real Living Wage which could result in a higher price for the contract.

## **9. CONSULTEES:**

Strategic Leadership Team  
Cabinet

**10. BACKGROUND PAPERS:**

None

**11. AUTHOR:**

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