

CHALLENGE	SOLUTIONS/RECOMMENDATIONS
<p data-bbox="203 236 365 260">Procurement</p> <p data-bbox="203 272 1055 331">Enforcing payment of the Living Wage to contracted and subcontracted staff.</p> <ul data-bbox="253 384 1099 842" style="list-style-type: none"> <li data-bbox="253 384 1099 517">• The Oxford City Council Living Wage Review Group found 'that the Council has no mechanism for verifying employers' responses to the request within procurements that they pay the 'Oxford Living Wage'.</li> <li data-bbox="253 528 1099 699">• 'Under procurement law it is not possible to include payment of the Oxford Living Wage as a qualifying criterion, or to judge tenders on that basis because it is unlawful (or at least unenforceable) for one legal entity to seek to dictate the terms and conditions under which another legal entity employs its staff. '</li> <li data-bbox="253 710 1099 842">• The Review Group also noted that the Council could theoretically treat non-payment of the 'Oxford Living Wage' by a contractor as a breach of contract, but whether this would be legally enforceable is untested and there is no British case law in this area.</li> </ul>	<ul data-bbox="1182 272 2033 1390" style="list-style-type: none"> <li data-bbox="1182 272 2033 373">• It is important to publicise and promote our status as a Living Wage Employer. By making this well-known. Staff working on contracts should be aware of the wage they should be receiving.</li> <li data-bbox="1182 384 2033 517">• Work with contractors to review rates of pay for relevant contracted staff. Identify where contractors are not meeting Living Wage requirements. Help them calculate the financial implications of bringing contracted staff up to the Living Wage.</li> <li data-bbox="1182 528 2033 592">• Specify, educate and raise awareness with suppliers on the benefits and brand value that the real Living Wage generates</li> <li data-bbox="1182 603 2033 735">• The Council could include in its advice to businesses when selling to the Council, a statement about the Council being an accredited living wage employer and the benefits of paying the Living Wage in terms of best value, wellbeing and quality.</li> <li data-bbox="1182 746 2033 917">• The council could launch an Ethical Code of Conduct for Suppliers, (ECCS), detailing a commitment to pay the real Living Wage. This could be included in all tenders issued by the Council and embedded in to contract management to hold suppliers to account. (Sheffield County Council)</li> <li data-bbox="1182 928 2033 1061">• Clauses could be inserted into tenders/contracts requesting that contractors ensure that the Living Wage is paid to all employees (and the employees of their suppliers) aged over 18 when providing the goods and services.</li> <li data-bbox="1182 1072 2033 1173">• Ultimately if a supplier was found to be in breach of a living wage clause the Council could decide not to renew the contract, which should provide some incentive for suppliers to comply.</li> <li data-bbox="1182 1184 2033 1248">• Incentivise employers to pay living wages – e.g. by increasing orders to those suppliers. (Ethical Trading Initiative)</li> <li data-bbox="1182 1259 2033 1323">• Use innovative approaches for implementing the living wage in procurement, including applying the Social Value Act</li> <li data-bbox="1182 1334 2033 1398">• EU procurement law was a barrier to awarding a new contract on the basis of paying a living wage and this was overcome in a</li> </ul>

number of innovative ways by different local authorities. Some negotiated each contract on an individual basis, carefully assessing each one, and highlighting early that it was something in which the council was interested (eg, Islington). Another approach was to include two pricing schedules for the tenderer to complete, one which included paying all staff the living wage and one without (eg, Lewisham). The Mayor of Lewisham, having adopted this approach, has consistently chosen to implement the living wage option. A third approach was to apply the Public Services (Social Value) Act 2012, which requires local authorities to consider how what is being procured might improve the economic, social and environmental well-being of the local area, when entering into procurement contracts. Local authorities must also consider how this improvement can be secured while acting proportionately and ensuring action is relevant. Paying the living wage might be viewed as improving the social and economic well-being of an area and so is likely to be a relevant consideration under the Act, where it is relevant to the contract and action is proportionate. (Health Inequalities and the Living Wage).

- The Council maintains a watching brief on the legal position (including any emerging case law) relating to public bodies requiring contractors to pay their staff a living wage, with a view to strengthening the obligations on the Council's own suppliers and their subcontractors, should the opportunity to do so arise in future.
- Setting up a public service model of employer commitment for partners/contractors to see. The Living Wage Employer Experience: Cardiff University 2017
- Use existing or create new partnerships to develop wider support for the living wage
- Introduce an Employment and Enterprise Scheme to develop a programme where local small businesses are supported to give young people one year job opportunities or apprenticeships that

	<p>are paid at the Living Wage. Businesses receive a subsidy to help pay the Living Wage, as well as being offered mentoring and support to help their business grow. (Southwark's London Living Wage Symposium)</p> <ul style="list-style-type: none"> <li>• Align local skills provision with the productivity agenda: Local authorities have a growing role in ensuring that further and higher education provision is linked to employer needs and demand. In particular local authorities have the opportunity to influence skills provision towards higher skill, higher pay career outcomes and to support relationships between skills providers and employers to drive workforce upskilling, in support of a locally led agenda on higher productivity and pay. (Southwark's London Living Wage Symposium)</li> <li>• Join up pay campaigns with other local cost of living issues, including housing (Southwark's London Living Wage Symposium)</li> <li>• Norwich City Council offer to give a relief on business rates to organisations that become accredited. The amount of relief granted will be equal to the accreditation fee the organisation has paid (up to £3000). If the fee is more than the annual charge for that year the relief will be equal to the annual charge.</li> </ul>
Procurement: Monitoring compliance of contractors	
	<ul style="list-style-type: none"> <li>• Any system may have to be based on self-certification by suppliers, with workers through their unions reporting non-compliance.</li> <li>• There are benefits to businesses in 'badging' the fact that they pay the Real Living Wage because hopefully consumers will make positive purchasing decisions based on this knowledge.</li> <li>• Oxford Living Wage Review suggested 'a targeted approach' as being the best way to encourage take up of the 'Oxford Living Wage' in the short term. They stated that 'The top 100 employers in the city employ almost 70,000 workers, which represents over half of all jobs in the city, so encouraging these employers to pay a living wage is likely to make the most difference in tackling low pay</li> </ul>

	<p>in the city. Of these employers, the ones whose operations are largely focused on Oxford, rather than across the UK or beyond, are likely to have the most flexibility to implement a local wage policy. Similarly, employers that currently pay marginally below a living wage may also be more inclined adopt a living wage policy as the cost to them will be relatively modest.'</p> <ul style="list-style-type: none"> <li>• The Council can also speak directly to employers and seek to influence them through business partnerships, gauging take up of the Living Wage by direct contact and discussion.</li> <li>• Set up a 'Progressive Procurement' Group of key Partners including colleges, universities, NHS/CCG with a key agenda to increase the real Living Wage across its considerable combined supply chain. (Sheffield County Council)</li> <li>• The Oxford Review Group suggested that another good way to engage with businesses would be to hold an annual forum event promoting the benefits to employers of paying a living: 'That the Council hosts an annual Oxford Living Wage seminar or symposium, which could involve local employers, trade unions, campaigners, universities, faith leaders and the Living Wage Foundation, to monitor progress and promote the case for the Oxford Living Wage and encourage employers to sign up to that or the Real Living Wage.'</li> </ul>
<p>Other Areas to Consider</p>	
<ul style="list-style-type: none"> <li>• Engaging the wider community</li> <li>• Consolidating work</li> </ul>	<ul style="list-style-type: none"> <li>• Work with faith groups and trade unions to develop strong partnerships across society to strengthen this work. Support from faith groups, anti-poverty groups and social justice campaigners are important.</li> <li>• Promoting union recognition with local employers is also important.</li> <li>• The Council could create, maintain and promote a list of local employers paying the Living Wage and make this list available on</li> </ul>

	<p>the Council website, and newsletter, as well as linking to the Living Wage Foundation's map of employers paying the Real Living Wage.</p> <ul style="list-style-type: none"> <li>• The Council could make it very clear that in most circumstances grants etc. will only be awarded to organisations paying their employed staff no less than the Living Wage, and contacts other local public sector commissioners urging them to do likewise. (Oxford City Council).</li> <li>• Designated Officer: That the Council allocates responsibility to a designated officer to support and oversee the promotion of the Real Living Wage (as in Oxford City Council).</li> <li>• This should include a suite of 'business as usual' activities, as well as specific campaigns, for example around a Living Wage Week</li> <li>• Set targets for the promotion of the living wage and a system of monitoring overseen by the Designated Officer to measure take up and progress of <ul style="list-style-type: none"> <li>a) The number of accredited living wage employers based in the city (e.g. doubling the current number within 2 years).</li> <li>b) The number of local employers paying the Living Wage. Information on the take up of the Living Wage by employers in Portsmouth is made available by the Living Wage Foundation.</li> </ul> </li> </ul>
<p>Adult Social Care</p>	
<ul style="list-style-type: none"> <li>• The most common impact on employment was the consequences for pay differentials which can have negative consequences on the recruitment and retention of team leaders/supervisors, with existing workers reluctant to take on greater responsibility for limited additional rewards.</li> </ul>	<p>'Implementing the Scottish Living Wage in Adult Social Care' suggests:</p> <ul style="list-style-type: none"> <li>• Greater consultation between providers and local authorities.</li> <li>• Engagement of all partners in meaningful discussions re developing a template that recognises the true costs of providing satisfactory levels of care.</li> <li>• Obtain the support of sector bodies</li> <li>• Having a distribution formulae that takes account of the degree to which services in local authority areas are outsourced as well as issues such as geography, deprivation and need.</li> <li>• According of greater weighting to workforce matters in procurement guidance</li> <li>• Commissioning of further research into improvements in employee take-home pay /living standards as a result of the LW,</li> </ul>

	<p>consequences of handing back contracts and the balance between the cost and quality in the award of contracts.</p> <ul style="list-style-type: none"><li>• 'The Effects on Minimum Wage Policy on the Long term Care Sector in England' briefing has highlighted the need to focus on a broader set of improvements in social care – including a more outcomes-based commissioning approach, integration with health services, investment in innovative technologies, and the necessity of raising pay beyond legal minimum levels and providing opportunities for training and progression – if the sector and workforce are to be put on a sustainable footing to meet the needs of our ageing population in the longer term.' (Resolution Foundation November 2015)</li></ul>
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## References:

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<https://mycouncil.oxford.gov.uk/documents/s41002/Report%20of%20the%20Oxford%20Living%20Wage%20Review%20Group%20v1.0%20for%20Scrutiny%20Committee.pdf>

Local Action Towards a Living Wage: A Report on Southwark's London Living Wage Symposium

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Hampshire County Council Decision Report: Options for Applying the Living Wage

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Norwich City Council: National Non-Domestic Rates Living Wage Rate Relief Policy

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Ethical Trading Initiative: <https://www.ethicaltrade.org/issues/living-wage-workers>

Implementing the Living Wage in UK Local Government: <https://www.emerald.com/insight/content/doi/10.1108/ER-02-2017-0039/full/html>

Public Health England: Health Inequalities and the Living Wage [file:///C:/Users/per921/Downloads/Living\\_wage\\_health\\_inequalities.pdf](file:///C:/Users/per921/Downloads/Living_wage_health_inequalities.pdf)

The Living Wage Employer Experience: Cardiff University 2017

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