**BRIGHTON & HOVE LIVING WAGE COMMISSION**

Minutes of the meeting held on 03 October 2011, 2.00-4.00pm

Room 122, King’s House, Grand Avenue, Hove, BN3 2LS

<table>
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<tr>
<th>Present</th>
<th>Organisation</th>
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<tbody>
<tr>
<td>Julia Chanteray (Chair)</td>
<td>Brighton &amp; Hove Chamber of Commerce</td>
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<tr>
<td>Cllr Bill Randall</td>
<td>Leader of Brighton &amp; Hove City Council</td>
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<td>Cllr Anne Norman (for Cllr Geoffrey Theobald)</td>
<td>Conservative Group, Brighton &amp; Hove City Council</td>
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<td>Cllr Anne Pissaridou (for Cllr Gill Mitchell)</td>
<td>Labour &amp; Cooperative Group, Brighton &amp; Hove City Council</td>
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<td>Catherine Anderson</td>
<td>Chair, Brighton &amp; Hove Hotel Association</td>
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<td>John Barradell</td>
<td>Chief Executive, Brighton &amp; Hove City Council</td>
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<td>Professor Julian Crampton</td>
<td>Vice-Chancellor, University of Brighton</td>
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<td>Lisa Dando</td>
<td>Director, Brighton Women’s Centre/CVSF Representative</td>
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<td>Donald Hirsch</td>
<td>Independent Consultant</td>
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<td>Alex Knutsen</td>
<td>Branch Secretary, Unison</td>
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<td>Gordon McCullough</td>
<td>Chief Executive (Interim), Community &amp; Voluntary Sector Forum (CVSF)</td>
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<td>Rhys Moore</td>
<td>Director, Living Wage Foundation</td>
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<td>Eva Pike</td>
<td>HR Business Partner, Sussex Police (Brighton Division)</td>
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<td>Dan Steadman</td>
<td>Deputy Chief Executive, Sussex Police Authority</td>
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<td>Mark Turner</td>
<td>Branch Secretary, GMB</td>
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<td>Graham White</td>
<td>Director of HR, Brighton &amp; Sussex University Hospitals NHS Trust</td>
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<tr>
<td>Sara McMillan</td>
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<td>Charlie Stewart</td>
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<td>Richard Butcher Tuset</td>
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<td>Matthew Wragg (Minutes)</td>
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<tr>
<td>Cllr Jason Kitcat</td>
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<td>Rose Read</td>
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<td>John Rowse</td>
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1. Welcome and Introduction by Councillor Bill Randall, Leader of Brighton & Hove City Council

Cllr Randall welcomed everyone to the first meeting of the Brighton & Hove Living Wage Commission.

He outlined the context for considering a Living Wage for the city, as follows:

- The Brighton & Hove Green Party’s 2011 Local Election manifesto committed to introduce a Living Wage for Brighton & Hove City Council employees.
- The Council has taken the first step toward a Living wage for its staff by increasing the lowest paid hourly rate from £6.59 to £7.19 for approximately 340 employees.
- This is part of a wider commitment by the Administration to reduce pay ratios between the highest and lowest paid Council employees.
- The Chief Executive has also taken a 5% pay reduction, as has the Leader of the Council from his Chair’s Allowance.
- The Council is currently in the process of agreeing its Corporate Plan, which sets out its aims for the next 4 years. Tackling Inequality in the city is one of the key priorities.
- The State of the City report highlights some of the key pressures on families and individuals in the city in terms of high living costs and house prices.
- Small businesses make up the majority businesses in the city. There are also key sectors to the economy which historically pay lower wages, tourism for example.
- The purpose of the Living Wage Commission, therefore, is to consider the potential for a Living Wage for the city, the benefits for individuals and the feasibility for businesses.
- The Leader of the Council proposed that Julia Chanteray, President of the Brighton & Hove Chamber of Commerce should Chair meetings of the Commission. This was agreed by Members.

2. Presentations on the UK Living Wage

2.1 Rhys Moore

Rhys Moore, Director of the Living Wage Foundation gave an introduction to the history of the Living Wage Campaign in the UK:

- The Living Wage Campaign in the UK has been running for 10 years, and followed a successful Living Wage campaign in the US.

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1 The State of the City report is available to download at http://www.bhlis.org/news/item?itemId=65
• It was started in the UK by various community and faith groups, in response to the Minimum Wage being considered too low for families in London to live on.

• Initially employers were reluctant to participate. After 3 years of campaigning the first success was made in the Health Sector, with a Living Wage introduced in 4 hospitals.

• This was followed by success with major private financial institutions in the City, resulting in Canary Wharf becoming a Living Wage ‘zone’.

• The Mayor of London backed the campaign and the Greater London Authority (GLA) has been responsible for updating the London Living Wage figure annually.

• 11 local authorities in London now support the Living Wage, as well 14 universities. All contractors for the London 2012 Olympics have been paid at least the Living Wage.

• Research by Queen Mary University has shown that the Living Wage Campaign has raised an additional £7m income for workers, across 160 employers.

• Other areas of the UK/Local Authorities are now adopting the Living Wage campaign, including Glasgow, Leeds, Newcastle, Norwich, Oxford, and Preston.

• The Living Wage Foundation aims to significantly raise national awareness of the campaign, using the 2012 Olympics to launch a national Living Wage week.

• The Living Wage Foundation provides accreditation and a Living Wage ‘mark’ to employers, an influencing role, as well as policy and research advice.

2.2 Donald Hirsch

Donald Hirsch is an independent authority on minimum income standards, and produces an annual report for the University of Loughborough.

He gave a presentation on the process by which the National Living Wage is calculated, which included the following key points:

• The National Living Wage currently stands at an hourly rate of £7.20. In London the figure is £8.30. The figure is revised annually to account for inflation.

• Calculation of a Living Wage is based on public consensus of the minimum requirements for a decent standard of living, and has changed over time.

• This not only includes items for the basic level of health, but also to be able to participate in society and in the same way as other members of society.

• This makes a Living Wage is distinct from the National Minimum Wage, which is reached by agreement between Government and employers.

• The minimum standard of living identified for the National Living Wage cannot be reached through the National Minimum Wage.
Content of Donald Hirsch’s presentation is available in the presentation handouts, available separately to these minutes.

2.3 Responses to questions on the presentations

Rhys Moore and Donald Hirsch Responded to questions from Commission Members:

- The Living Wage pays a stable figure above the basic level of need and to counter any potential loss in Benefit eligibility, so that people are not left short.

- The Living Wage is applied to all adults over the age of 18 and is not relative to age, unlike like the National Minimum Wage.

- The Living Wage assumes full time employment in order to meet the living standard. To achieve the same standard working part time would therefore require a higher wage.

- It is accepted that some of the money paid through a Living Wage will pass to the Exchequer, but it should present work as a more attractive option than Benefits.

- It was illustrated how a Living Wage has enabled some individuals working numerous jobs to give up at least one of these to spend more time with their family or community.

- Evidence shows that the Living Wage reduces absenteeism and staff turnover. The GLA are leading research on the Living Wage and are due to release a new report.

3. Roundtable discussion

The following is a summary of the discussion at the meeting, grouped under emerging themes from the Commission:

3.1 Local living costs

- The Commission was concerned that higher living costs in Brighton & Hove, such as the high cost of private rents, may mean that the National Living Wage is not sufficient.

- The Commission was advised that adjusting the calculation to account for higher housing and childcare costs would result in a higher Living Wage rate for the city.

- The Commission was also advised that experience from the US shows that a single rate is preferable in terms of raising awareness with employers and individuals.

- It was agreed that the Commission would to see more detailed work on the relative rate of a Living Wage for the city.
3.2 Local Pay

- The Commission felt that it would like to get a sense of the proportion of employers in Brighton & Hove that pay below the National Living Wage.

- Members of the Commission agreed to send information to Mathew Wragg on numbers of staff within their organisations being paid less than the National Living Wage.

  **Action:** All members of the Commission

- The Community & Voluntary Sector Forum agreed that they would look at evidence of wages from the sector, perhaps starting with larger organisations that hold public sector contracts.

  **Action:** Gordon McCullough

- Regional information on the number of workers paid under the Living Wage can also be gathered from national studies, for example the Resolution Foundation Report.

- It was also noted that some organisations employ people across Sussex and there is a need not to create disparity between pay in different areas.

- The same was felt to be true in terms of certain professions where national pay bands apply, e.g. Universities.

3.3 Procurement

- The Commission discussed how contractors and sub-contractors working for an organisation can be encouraged to pay the Living Wage.

- The Greater London Authority has changed its procurement policy to encourage all tenders to include a Living Wage for staff, in particular Transport for London.

- Different London boroughs are using varied levels of obligation to encourage a Living Wage for contracted staff, with Lewisham being a good example.

- It was felt by some Members that despite progress in the Public Sector, low wages for contracted staff in some areas are still a significant issue.

- The point was also made that contracts for public sector services are lasting for longer, and therefore it should not just be left until contracts expire to address low pay.

- However, it was also felt that the complex issue of contracted staff should not delay progress or prevent organisations from signing up to the principal of a Living Wage.

- The Commission felt it would be useful to have procurement officers, either from the Council or from other organisations, at future meetings to advise on options.

  **Action:** Matthew Wragg
3.4 Benefits for businesses and sectors

- It was questioned whether a Living Wage could prove counter productive in low wage sectors, such as tourism, encouraging businesses to reduce the total number of staff.

- The Commission was advised that there is no evidence of a negative effect of the Living age for businesses. In some cases it has stopped competitive salary reductions.

- To date the Campaign has focussed on big employers with a significant number of low paid or sub-contracted workers, such as cleaning staff.

- The Campaign is now talking to major national retailers and hotel chains, who would not be in favour of having multiple regional Living Wages.

- The Commission felt that it would like to see more detailed evidence of the benefits for employers of signing up to a Living Wage.

  Action: Rhys Moore

3.5 Community and voluntary sector

- Nationally, larger charities such as Oxfam and Unicef are leading the way on the Living Wage in the community and voluntary sector.

- Community and voluntary sector organisations would struggle to pay the Living Wage when competing for contracts against the public or private sector or larger charities.

- This pressure would be alleviated if public sector contracts make a Living Wage a condition of contract tenders or grants processes.

4. Future work of the Commission

In addition to the issues for action raised above the Commission discussed the following points for the consideration of its role.

- The Commission would like to get a wider sense of whether different sectors and some of the larger employers in the city would be supportive of the Living Wage.

- It was agreed that large employers in the city should be asked to share evidence with the Commission. John Barradell agreed to contact key businesses to find out if they would attend a future meeting of the Commission.

  Action: John Barradell

- The Chamber of Commerce and the Community & Voluntary Sector Forum both proposed holding specific sessions on the Living Wage for their Members.

  Action: Chair/Gordon McCullough
• The Commission was advised that, although evidence is important, the Living Wage is a voluntary code and begins with a few organisations committed to the principal.

• Experience shows that this builds a wider consensus and momentum. Brighton & Hove has an opportunity to join in with the wider national Campaign.

• A number of Commission Members expressed that they felt the role of the Commission was to set such a precedent. This related particularly to the role of public sector organisations.

• The Council’s Policy team agreed to coordinate a brief for future work from the discussion with the Chair.

  Action: Matthew Wragg/Chair

• Support to the Commission would be provided by the Council’s Policy team with limited consultancy support on financial analysis to be met from existing budgets.

• Members of the Commission volunteered to form a smaller, task-group to meet in preparation for the next meeting to look in more detail at some of the issues.

• This task-group consists of the Chair, the Leader of the Council and the CEO of the Community & Voluntary Sector Forum.

  Action: Matthew Wragg

5. Agreement of Terms of Reference and appointment of the Chair

The draft Terms of Reference were agreed with the following comments:

• Brighton & Hove Albion Football Club should be added as core members of the Commission and are attending future meetings of the Commission.

• Further representation from businesses would be invited to future meetings of the Commission, as described above, within the provision of the Terms of Reference.

6. Meeting dates

Dates for further meetings of the Commission were agreed as follows:

• Tuesday 06 December 2011, 10.00-12.00, Room 122, King’s House

• Friday 03 February 2012, 10.00-12.00, Room 122, King’s House

• Thursday 29 March 2012, 3.00-5.00pm, Room 122, King’s House