

Item 6
TITLE OF REPORT: National Living Wage

Purpose of the Report

To bring to Schools Forum attention information about the implementation of the National Living Wage for Gateshead employees.

Background

The new compulsory National Living Wage (NLW) for employees aged 25 and above will be introduced on 1 April 2016 and will begin at £7.20 per hour in 2016. It is projected to rise to at least £9 per hour (possibly up to £9.35) by 2020.

The NLW is in addition to the UK Living Wage (which is £8.25 per hour) and the National Minimum Wage (NMW) rates for under 25 year olds. The different pay rates are shown below:

Pay rate	Adult rate (25 years and over)	Adult rate (21-24 year olds)	18-20 year old rate	16-17 year old rate	Apprentice rate
NLW (from April 2016)	£7.20				
NMW		£6.70	£5.30	£3.87	£3.30
UK Living Wage (outside of London)	£8.25				

The Council's lowest hourly rate is currently £7.19 per hour, i.e. SCP 8, 1 pence per hour lower than the proposed NLW from 1 April 2016.

The Council is currently considering different implementation options which will affect the Council's pay and grading structures and therefore will have an impact on Schools.

The Council is due to make a decision on the option to implement the NLW on 23rd February. Following the decision Human Resources will contact all schools, providing information on the impact of the Councils decision.

Proposal

The Schools Forum notes that the NLW will be implemented from the 1st April 2016, and that HR will contact schools providing information on the impact of the Councils decision when it is known.

Recommendations

Schools Forum notes that there will be an impact on schools budgets with the implementation of the NLW.

For the following reason(s):

- To inform schools that the implementation of the NLW will impact on maintained schools.

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