

SUPPLEMENT TO THE AGENDA FOR

Council

Friday 5 February 2016

10.00 am

**Council Chamber, The Shire Hall, St Peter's Square, Hereford,
HR1 2HX**

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Members' questions at Council – 5 February 2016

Question from Councillor R Matthews

Asset disposal

Question 1

It is estimated that £7.9m will be raised from capital receipts during the 2016/17 financial year. Can members be informed of what assets will be disposed of to help raise this substantial sum of money?

Answer from Councillor H Bramer cabinet member contracts and assets

Answer to question 1

The treasury management strategy assumes £6.2m of receipts will be achieved in 2016/17. This amount will come from a number of the councils surplus properties that are in the process of being sold, these include:

The Buttermarket
Brockington
Bath Street
Harold Street
Moor House
Corn Square offices
Former Broadlands paddock
Former Whitecross school site
Land at the Enterprise Zone
Land at Ashburton, Ross-on-Wye

Question from Councillor F Norman

Question 2

Although I am pleased that this council has achieved a ratio of 1:10 between highest and lowest paid, and that the National Living Wage (NLW) will be paid regardless of age, I am extremely disappointed that we are going back on a commitment in principle to introduce the Living Wage Foundation (LWF) living wage.

In December 2014, members supported the introduction of the LWF living wage, at that time £7.85/hr, after a debate about low incomes, the social distress this causes, fuel poverty and the consequent need to claim working benefits.

The report tells us (22) “that the corporate plan includes an objective related to increasing the average wage.....”

Why are we now going back on that commitment and asking the lowest paid to bear the brunt of our financial pressures? How many employees would be affected if we did implement LWF living wage, and how many would be affected if we implement the NLW?

Members' questions at Council – 5 February 2016

Answer from Councillor P Morgan, vice chairman of the employment panel

Answer to question 2

The council is not going back on the corporate plan commitment to increase average wages in the county; neither is it asking the lowest paid to bear the brunt of financial pressures.

As you will see from the figures below the council has already done much to remove the lowest pay scales from use, and the new national living wage will assist those remaining on the lowest rates. However the council has to balance the need to help deliver economic growth in the county through improved average wage levels with the need to be responsible with the public funds entrusted to it. The employment panel was, like many members of this council, supportive of the aims of the living wage; however, noting that the additional cost of introducing the higher LWF living wage at £8.25/hr resulted in an additional pressure of £1.1m in 2016/17 alone, the panel recognised this would result in significant cuts to services for the people of this county in order to achieve compensatory savings.

The panel noted that the council was part of the nationally negotiated pay structure for local government and that pay rates would be kept under review through that process and therefore recommends no further action be taken to assess how to introduce the higher LWF rate.

Summary of numbers

	NLW (£7.20)			LWF LW (£8.25)		
	Headcount	Posts occupied	FTE	Headcount	Posts occupied	FTE
LA Schools	54	116	15	317	607	109
Directly employed	0	0	0	13	13	8

At this level, most of the posts are part-time and a number of individuals cover multiple posts hence lower headcount.

Headcount = number of people employed

Posts occupied = number of posts that the headcount are deployed across

FTE = full time equivalent
