

Report of: Service Director, Integrated Commissioning and Investment

Report for:	Date	Agenda item	Ward(s)
Chief Officer approval	April 2022	n/a	All

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: London Living Wage (LLW) consideration report for Home Care Services
1 Synopsis

- 1.1 This report considers the implications of applying the council's London Living Wage (LLW) policy and procedures to the procurement of the contract named above.

2 Recommendations

- 2.1 A requirement for the payment of LLW should only be included as a condition of this contract if there is no cross border interest in the contract following 'Find a Tender Service' notice or if cross border bidders do not expect to use employees for this contract who are established in another EU member state.

3 Council's policy and procedure on LLW

- 3.1 The London Living Wage is set annually by the Greater London Authority (GLA). It is defined by the Family Budget Unit as "a wage that achieves an adequate level of warmth and shelter, a healthy palatable diet, social integration and avoidance of chronic stress for earners and their dependents"
- 3.2 The council's policy on LLW, adopted in March 2010, requires that for all new contracts the paying of the LLW to all staff involved in delivering the contracted services should be given consideration and adopted whenever it is shown to add value. The council's Procurement Rule 12 states: "As a matter of policy, London Living Wage (LLW) must be considered on all contracts where the Citizen's UK accreditation criteria for contracts apply. LLW shall be adopted on all contracts insofar as this is permitted by law. A report shall be produced setting out all relevant considerations."
- 3.3 The council received accreditation from Citizen's UK as a London Living Wage Employer in March 2012. The Citizen's UK accreditation criteria require the payment of the LLW to staff employed in the provision of contracted services who provide a service for or on behalf of the council involving: two or more hours of work in any given day in a week; for eight or more consecutive weeks in a year; on the council's premises and/or property owned or occupied by the council; and/or land which the council is responsible for maintaining or on which it is required to work.

- 3.4 In dealing with the legal issues raised by the use of LLW in relation to European Union laws on cross border tendering the council's procurement procedure distinguishes between Standard Procurements which are unlikely to be of interest to contractors established in other member states within the European Union and Non-standard Procurements that could potentially be of cross border interest.

4 Procurement of the contract

- 4.1 Home Care, also known as Domiciliary Care, covers a wide range of activities, including but not limited to, personal care; re-ablement; support with medication and household tasks to support people with long-term care needs in the community. Residents may require these services for a short period to recover from illness or injury for example, or for a longer period to allow them to remain safe, independent and living in their own home.
- 4.2 The new contract will be procured in accordance with the requirements of the council's Procurement Rules and the EU regulations.
- 4.3 This contract will be advertised to the wider market as a service contract. The total estimated value for this procurement will be £148,880,528 based on the forecasted budget.
- 4.4 For the purpose of London Living Wage, this is a Non-standard Procurement because it is above EU threshold for the purposes of the Public Contracts Regulations 2015. Therefore a requirement for the payment of LLW should only be included as a condition of this contract if there is no cross border interest in the contract following 'Find a Tender Service' notice or if cross border bidders do not expect to use employees for this contract who are established in another EU member state.

5 Best value consideration

- 5.1 A research report published by London Economics entitled "An independent study of the business benefits of implementing a Living Wage policy in London" (February 2009) and commissioned by the GLA found that paying the Living Wage increases productivity and improves service quality as a result of lower staff turnover, reduced absenteeism, and improved morale, motivation and commitment.

6 Implications

6.1 Financial

It is acknowledged that pay in this sector is often below the LLW. In assessing the budget for this service payment of LLW has been taken into consideration, therefore having LLW as a condition of the contract should be not have any additional financial implications.

6.2 Equality Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A general Equality Impact Assessment (EIA) for the introduction of the London Living Wage was completed, and a specific EIA for this particular contract will be carried out.

Appendices

- No appendices.

Background papers: (available online or on request)

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Chief Officer Approval

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