

<b>Committee</b>	HR&R		
<b>Agenda Item</b>	3.3		
<b>Date paper prepared</b>	22/10/2022	<b>Date of committee meeting</b>	27/10/2022
<b>Subject</b>	Real Living Wage Implementation		
<b>Author</b>	Judith Fenton, HR&OD Lead		
<b>Action requested</b>	For approval		
<b>Purpose of the paper</b>	To update members and seek support to uplift hourly rate for 5 employees.		
<b>Brief summary of the paper</b>	The paper sets out the impact of the early increase to the real living wage identifying 5 staff who are paid less than this. The cost of uplift this year is around £2,500.		
<b>Consultation</b>	Finance		
<b>Resource implications</b>	Cost of uplift		
<b>Risk implications</b>	We will need to make the change to submit application to real Living Wage Foundation; we could delay to May 2023, but given current economic instability, and relatively low cost to implement we see no value in delaying.		

<p><b>Link with strategy</b></p>	<p>N/A</p>
<p><a href="#">Equality, Diversity and Inclusion</a></p>	<p>Summarise how any actual or potential (positive or negative) equality, diversity, and inclusion implications have been considered in the development of the paper. Please refer to the Equality, Diversity and Inclusiveness Policy for more information.</p>
<p><b>Island Community Impact</b></p>	<p>Summarise how any actual or potential (positive or negative) impacts on island communities have been considered in the development of the paper.</p>
<p><b>Paper status</b></p>	<p><input checked="" type="checkbox"/> <b>Open</b> – The paper may be circulated to non-members of the committee and published online without restriction.</p> <p><input type="checkbox"/> <b>Restricted</b> – The paper must not be circulated to non-members or published online until after the committee meeting.</p> <p><input type="checkbox"/> <b>Confidential</b> - The paper must not be circulated beyond the committee members and should not be published online. [Please note papers may still be subject to Freedom of Information requests – see below].</p>
<p><a href="#">Freedom of information</a></p>	<p>Open</p> <p>If closed/ withheld, select date this will become 'open': Enter a date.</p>

## Real Living Wage Implementation

### 1 Context

- 1.1 Shetland UHI is committed to becoming a Real Living Wage employer. To date we have completed our application form to achieve this status, though the application has now been paused owing to the early increase in Living Wage rates.
- 1.2 The Living Wage Foundation brought forward the announcement of its 2022-23 Living Wage rates to September this year to make it possible for employers to apply the new rates in advance of the May 2023 deadline. The real living wage is now set at £10.90, an increase of £1 (10.1% increase) from £9.90. Across the College Sector, many employers are bringing in this increase to staff early.
- 1.3 We would propose bringing in from 1<sup>st</sup> November 2022 to avoid backpay complications and ahead of the deadline of May 2023.

### 2 Implications

- 2.1 There are 5 individuals (6 hourly rates), currently paid less than £10.90 per hour; 2 full-time employees, 1 part-time employee, and 2 term time only employees.

Current Rate (p/hr)	Increase in Rate Required (p/hr)
£10.46	£0.44
£10.69	£0.21
£10.30 (TTO)	£0.60
£10.70 (TTO)	£0.20
£10.30 (TTO)	£0.60
£10.30	£0.60

- 2.2 The cost of increasing these rates is approximately £2,500<sup>1</sup> per annum.

### 3 Next Steps

- 3.1 We would seek approval to make the changes to uplift the pay for these employees, and implement from 1<sup>st</sup> November 2022 to ensure we are aligned with the sector and enable us to submit our application to the Real Living Wage Foundation.
- 3.2 This exercise has been done to rectify the implications of the increase in the real Living Wage. However, it has highlighted inconsistencies in our job evaluation and pay scales. This will be part of a larger exercise as we seek to achieve consistency across the organisation in relation to job evaluation. We aim to commence initial scoping activity on

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<sup>1</sup> A breakdown in costs can be provided.

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Living Wage Implementation  
UHI Shetland  
October 2022

this before Christmas 2022, with the intention of preparing a paper for submission to HR&R in November 2022 providing some context and principals for how we take this complex exercise forward.