



PROCUREMENT

Report to: STAR Joint Committee
Date: 16th March 2022
Report for: Information & Decision
Report of: Lorraine Cox – STAR Director

Report Title

STAR Procurement supporting the Real Living Wage Accreditation

Summary

The purpose of this report is to update STAR Joint Committee on the STAR Real Living Wage (RLW) Accreditation and Procurement support.

Recommendations

The recommendations of this report is that STAR Joint Committee:

- Approve the STAR support and audit approach in seeking confirmation from current contractors as to their RLW status to support the RLW Accreditation application.
- Approve as part of new procurement activity to secure commitment to paying the RLW in our contracts
- Approve STAR to seek support of the GM Good Employment Charter of current contractors and as part of new procurement activity.
- Support the ambition within the four partner organisations to progress to RLW Accreditation.

Contact person for access to background papers and further information:

Name: Lorraine Cox
Phone: 07817 882169

Background

Financial Impact:	No financial impact to STAR, but it does have financial impact for each of the partner organisations which each would need to consider independently.
Legal Impact:	None
Human Resources Impact:	None
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	None
Health and Safety Impact:	None

Consultation

No public consultation required

1. Background

- 1.1 Greater Manchester has recently become the first city region officially recognised by the Living Wage Foundation for its ambitious plans to increase take up of the RLW. It is making strides to ensure that employees across all 10 boroughs are paid a real living wage and offered good contracts and working conditions.
- 1.2 The STAR authorities have shown commitment and made good progress towards becoming RLW organisations, some have progressed to paying RLW into specific cohorts of contracts such as Adult Social Care and all have progressed successfully with paying the RLW to their employees.
- 1.3 Part of the accreditation process is to identify contracted spend that is in-scope (2 hours per week for 8 consecutive weeks) and to audit which current suppliers pay the RLW, who are working towards and those that don't. The accreditation process requires STAR partner organisations to then create a three year plan to mobilise suppliers current and new to commit to paying the RLW.
- 1.4 STAR has been in contact now with all four STAR partner organisations who are at similar stages with their planning to progress to accreditation. Therefore STAR wanted to ensure STAR Joint Committee are briefed on work to date and the direction of travel to support the four organisations.
- 1.5 The Real Living Wage Movement after 20 years has:
 - Put over **£1.6bn back** into the pockets of low paid workers
 - Lifted over **300,000 workers** onto the real Living Wage
 - Accredited over **9000** Living Wage Employers

1.6 Greater Manchester:

- **Around a fifth of GM** employees earn below the real Living Wage
- Greater Manchester recognised as **the first Living Wage City region** in November 2021
- The recent Independent Inequalities Commission (IIC) report recommended that **Greater Manchester aims for 100% of employees to be paid the RLW** by 2030.
- **422** accredited Living Wage Employers across GM
- **16,108** uplifted employees

2. **STAR Process:**

2.1 STAR has commenced a review of current live contracts starting with Trafford Council and intends to undertake an audit of which suppliers are currently RLW Employers and then to support the development of an action plan for the following three years to support the transition of all suppliers to be committed to paying the RLW. This audit will form a baseline. Each organisation will have to review the non-RLW suppliers/sectors and consider how they can support this financially where appropriate and able.

2.2 Trafford Council have committed to being the pilot in order to establish an approach which can move swiftly from the baseline capture to setting a three year plan to enable the council to consider funding support which will form part of the accreditation application. The ambition is to ensure governance approval is in-place and the review and audit can commence before the end of March 2022 for Trafford Council.

2.3 This approach can then be adapted and scaled up across the other three organisations depending on their governance approvals, commitment and ambition to apply for accreditation.

2.4 Each partner organisation will need to consider:

- Creating a working group
- Governance approval to pledge to work towards becoming RLW Accredited

2.5 Current Contract Audit:

- Approve the support from STAR to undertake the contract audit
- Approach to reviewing the non-RLW contracts in order to create a three year plan and consider funding requirements thus leading them to be in a strong position to applying for accreditation
- Consider all new procurements on a case by case basis in order for suppliers to commit to paying the RLW.

- 2.6 Another key element for STAR is to ask as part of the audit if current suppliers will become supporters of the GM Good Employment Charter¹. This is independently administered and audited by GM Growth Hub. This will add to the ambition of STAR to drive towards us targeting 'good businesses' in terms of their support with the Charter and their declaration to pay the RLW.
- 2.7 As part of becoming accredited, each partner organisation will need to ensure that current employees are paid the RLW. Each partner organisation HR department will facilitate and confirm this as part of the accreditation.

3. Recommendations

- 3.1 The recommendations of this report is that STAR Joint Committee:
- Approve the STAR support and audit approach in seeking confirmation from current contractors as to their RLW status to support the RLW Accreditation application.
 - Approve as part of new procurement activity to secure commitment to paying the RLW in our contracts
 - Approve STAR to seek support of the GM Good Employment Charter of current contractors and as part of new procurement activity.
 - Support the ambition within the four partner organisations to progress to RLW Accreditation.

¹ [The Charter | GM Good Employment Charter](#)