

Toft Newton Parish Council

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LIVING WAGE PROPOSAL REPORT TO THE PERSONNEL COMMITTEE

The report below links to agenda item number 2026-27/112.

Councillors are asked to note that the implications of this report will have the following implications, as explained in the report, below:		
Council Objectives:	<i>Employment of staff to enable the Council to carryout its statutory and non-statutory functions and duties.</i>	
Resource Requirements:	Other: Financial	
Do we have the resource available?		YES
Equalities & Human Rights	Are there equalities and /or human rights issues?	NO
Equalities Impact Assessment	Is an impact assessment is required?	NO
Crime and Disorder	Has crime and disorder have been considered?	NO
Biodiversity	Are there any bio-diversity implications?	NO
Financial	Are there financial implications at this stage?	YES
	Will there be financial implications?	YES
	Is there provision within the budget?	YES
	Could there be additional expenditure?	YES
	Is there potential for income generation?	NO
Legal	Do we have power, to act?	YES
Risk Management	Are there any risks? If so, how will these be mitigated?	YES
Risk Assessment	Is a risk assessment required?	NO
Project Management	Is project management is required?	NO
Person submitting this report: Consultant to the Council		
Date: 8th of September 2026		

Approved by Toft Newton Parish Council on:

Date

Implementation due:

Date

Review due:

Date

LIVING WAGE PROPOSAL REPORT TO THE PERSONNEL COMMITTEE

Summary

The public internal audit process is designed to assess the operational and management processes of all councils and other public sector organisations. This ensures that councils meet the minimum requirements as established by the numerous strands of governing legislation, it identifies areas where councils need to improve to meet these standards and additionally, it identifies areas where councils can go above and beyond what is required.

During the 2025-26 internal audit, the Internal Auditor suggested that Toft Newton Parish Council should consider paying their employees a Living Wage.

The Living Wage Foundation sets its rates of pay in November each year, these rates are higher than the minimum National Joint Council (NJC) rates of pay. Toft Newton Parish Council employees are paid NJC rates.

Currently, the Playground Warden post is graded at a starting point which is below the Living Wage. Prior to April 2024, the Playground Warden was paid the National Minimum Wage, Councillors agreed to bring the Playground Warden on to the NJC pay scales, as there was a consensus that local council employees should be employed and paid on agreed local government terms and conditions.

There is a legal requirement that local government employees who are employed by Borough, City, County, District and Unitary Councils are employed on either the NJC terms and conditions, or the relevant professional terms and conditions for their job role. The previous Conservative government allowed local variations to the NJC terms and conditions, but essentially, they are similar across neighbouring councils.

There is no such requirement for Parish Council employees.

Background

The Living Wage as set by The Living Wage Foundation, is sometimes referred to as the real living wage. The rates are calculated by the independent Living Wage Commission, whose primary purpose is to ensure the hourly rates are sufficient for employees to earn enough to meet the real cost of essential goods and services.

The then Labour government introduced the National Minimum Wage in 1999, this was payable to all employees aged 18 and above. Initially rates were set for 18 to 21 year olds and a higher rate for everyone aged 22 and above. In 2004 a minimum hourly rate was introduced for 16 and 17 years olds, and in 2010, an apprenticeship rate was introduced.

Further changes were made with the introduction of the National Living Wage, for everyone aged 25 years and older in 2016, in 2021 this age of eligibility was reduced to 23, and in 2024, it was reduced again to 21.

The government sets the current National Minimum and Living Wage, based on the recommendations of the Low Pay Commission.

The National Joint Council has 70 members, 12 of these represent the employers, this includes the government, local government employers and representatives from relevant organisations that represent the local government sector. 58 members are from the various local government trade unions. The main three, being GMB, Unison and Unite.

Historically, the trade unions put forward their own requirements for the annual pay increase, before agreeing on a combined request. The employers then make their own offer. In most of the last few years, the employers offer has been lower than the trade union request and it is the employers offer that has been accepted. The 2026-27 pay deal has just been agreed.

The current hourly rates are:

	Under 18 and Apprentice rate	The minimum wage (18 to 20 years of age)	The National Living Wage (21 years plus)	NJC minimum rate	The Living Wage
Set by:		HM Government		The National Joint Council	The Living Wage Foundation
UK rate	£8.00	£10.85	£12.71	£13.28	£13.45
Greater London rate	£8.00	£10.85	£12.71	£13.28	£14.80

The Living Wage Foundation announce their new rates in November, accredited employers are expected to pay this new rate as soon as possible but certainly by the 1st of May in the following year.

Currently, Toft Newton Parish Council employees move up to the next increment in their agreed NJC pay scale on the 1st of April each year.

Moving Toft Newton Parish Council employees to the Living Wage would require a regrading of both the Playground Warden and Parish Council Clerk post, this will involve benchmarking both posts with other similar sized parish councils / comparable posts.

Proposal

Toft Newton Parish Council are asked to consider moving the Playground Warden from the bottom of the NJC pay scale to a point that is persistently the same as or above the Living Wage rate.

Currently the Playground Warden post is graded at spinal column point (scp) 3-6. Having previously been scp 2-5 – however, scp 2 was deleted in the 2026-27 pay award, as scp 2 was below the National Living Wage rate.

Moving the Playground Warden to a rate that is equivalent to, or in excess of the Living Wage rate would require the post starting at scp 4, which is £13.48 per hour in this financial year.

The Office for National Statistics has announced the August 2026 CPI inflation rate as being 2.9%, they have also stated that they expect the CPI rate to peak at 3.5% to 3.6% in the autumn of 2026. Assuming 3.5% is added to the Living Wage rate this would mean that in 2027-28, the Playground Warden post would need to be paid at scp 6, which is currently £13.92 per hour.

When the Personnel Committee agreed to regrade the Playground Warden post due to scp 2 being deleted, at the 2nd of July 2026 meeting, as ratified by full Council on the 7th of July 2026, the Parish Council Clerk post was not regraded. Therefore, any additional regrading of the Playground Warden post, must be accompanied by an equivalent uprating of the Parish Council Clerk's post.

The 2nd of July 2026 Personnel Committee meeting also agreed to reduce the number of hours that the Playground Warden works from 6.5 hours per month, to 1 hour per week, so there are some savings that could be used to pay an increased rate.

Additionally, at the point of writing this report the Playground Warden post is currently vacant, so further savings are being made.

However, at the same Personnel Committee meeting the Parish Council Clerk's post was converted to an annualised hours system, rather than being 3 hours per week, the post was turned into a 156 hours annually (to be used flexibly) post, with up to 26 hours of overtime, to be used with the permission of the Chair of the Personnel Committee and only to be used during busy times, and during the induction process to cover new Clerk training, and to cover the increased workload during internal audits, external audits, etc.

This means that the draft 2026-27 and projected 2027-28 budgets are now out of date for staffing costs.

The changes agreed to date, potentially mean that the Clerk's post could be paid at 182 hours per year, rather than the 156 hours budgeted for – although it is anticipated that while the 26 hours might be used in the first year of the new Clerk being in post, in subsequent years, it would be a fewer number of additional hours being used. The current precept will cover the cost of these revised hours.

Budgeted hours, with the various changes, as agreed to date.

	SCP	Standard hours used to 31/08/2026	O/T hours used to 31/08/2026	A/L hours paid	Hours remaining as of 01/09/2026	Living Wage compliant
Playground Warden (NM)	4	32.5	N/A	3.67	0	Yes
Playground Warden (vacant)	3	0	N/A	0	29 A/L: 35	No
Parish Council Clerk (PH)	9	36.21	N/A	3.96	0	Yes
Parish Council Clerk (LK)	9	26	0	2.86	96 O/T: ≤ 26 A/L: 10.01	Yes

Without any changes due to implementing a Living Wage, the 2026-27 staffing budget will already be approximately 4% over the £3,700 forecast.

Introducing a Living Wage, which as per the Terms of Reference of the Personnel Committee would not apply until April 2027, would mean that the Playground Warden would need to be regraded starting at scp 6 as opposed to scp 3.

The Parish Clerk would therefore need to be regarded accordingly.

For the purpose of working out some draft figures I have regraded the posts as follows:

	2025-26	2026-27	LW: 2027-28
Playground Warden	Scp 2-5	Scp 3-6	Scp 6-9
Parish Council Clerk (unqualified)	Scp 9-11	Scp 9-11	Scp 14-16
Parish Council Clerk (qualified)	Scp 14-17	Scp 14-17	Scp 18-21

Assuming the Playground Warden post is filled fairly soon and the post holder is in post throughout 2026-27 and 2027-28, and that the Parish Council Clerk remains in post for the same period and

works towards completing their CiLCA qualification in 2027-28, the wage bill on the above revised pay scales would be around 8% higher for 2027-28 than forecast in March 2026.

Upon qualification of the Clerk in 2028-29, and with the annual increment of the Playground Warden, the wage bill would increase further by around 5%.

There might be an increased risk of financial strain if wages are increased without either the precept being increased or alternative sources of income being raised.

Options Considered

The option that Councillors now need to consider is whether or not to agree to pay the Living Wage with effect from the 1st of April 2027.

Additionally, if Councillors do agree to pay the Living Wage, Councillors would need to further consider whether or not to become an accredited Living Wage employer, by completing the self-assessment and paying the annual fee, which is currently in excess of £100, or whether the Council commit to matching the Living Wage without becoming an accredited employer.

Power to Act

The powers to act upon this report come from the Local Government Act 1972 (LGA 1972), section 112(2) and the Income Tax Act 2007, plus additional employment, and national minimum wage legislation.

The LGA 1972 states that Parish Councils are required to employ the statutory post holders, those being the Proper Officer and Responsible Financial Officer, and that these posts are paid according to the substantive grades, which NALC (National Association of Local Councils) provide advice on.

Based on the current advice, the Parish Council Clerk's post should be paid at rates which are equivalent to those of a LC1 post – those being scp 7-12 for a standard Clerk's role, or scp 13-17 for a slightly more involved Clerk's role.

The NALC advice for non-Clerk roles is that they should be paid at below the LC scale (or certainly below the substantive range), which is currently scp 3-5 and scp 5-6.

Conclusion and Recommendations

Having explored the possibility of paying a Living Wage to both employees, before making their decision, Councillors should consider that both posts are currently paid within the ranges as recommended by NALC, for the duties involved and the size of the Parish Council.

While there might need to be a discussion about the number of hours that the Clerk works in the future, due to NALC, the Society for Local Council Clerks (SLCC) and the Union for Local Council Staff stating that the minimum number of hours the Clerk should work is six hours per week, that is for another time.

At this point in time, Councillors need to decide if they wish to go above and beyond what is required of the Council.

- All posts are paid in excess of the government set National Living Wage.
- The post of Clerk is paid expenses for working from home, and as agreed recently all posts, including those held by Councillors and volunteers attract appropriate travel and subsistence allowances, where needed.
- Additionally, both post holders are provided with specialist training in their areas of work.

Paying a Living Wage would be a nice optional extra, but this like the Pensions Report that Councillors were asked to consider at the 23rd of June 2026 Extraordinary Parish Council meeting, is exactly that *an optional extra*.

The Financial Regulations 2026 v002, as adopted by the Council on the 23rd of June 2026, require that Councillors ensure money is spent appropriately and that best value is achieved, they do not state whether the Parish Council should pay the Living Wage as set by the Living Wage Foundation.

Therefore, the decision is down to Councillors to make.

The Personnel Committee are asked to approve one of the following recommendations:

Resolution 1:

The Personnel Committee recommends that the full Council resolve to adopt the Living Wage Proposal and regrades both posts to ensure that our employees are paid at rates which are equivalent to, or in excess of those as set by The Living Wage Foundation.

or

Resolution 2:

The Personnel Committee considered the Living Wage Proposal and have decided to maintain the rates of pay as previously agreed for both posts. We therefore ask the full Council to resolve to support the status quo.

Once the Personnel Committee have considered this report, it will be for the full Council to ratify whether or not to agree to the recommendations of the Personnel Committee, the full Council will be asked to consider the following resolutions.

Councillors are asked to resolve to accept either resolution 1 or 2. If resolution 2 is accepted then either resolution 3 or 4 will also need to be accepted.

Resolution 1:

Toft Newton Parish Council has considered the Living Wage Proposal and have resolved to maintain the status of quo and not to commit to paying equivalent to, or in excess of The Living Wage Foundation rates as currently only one spinal column point in our approved pay scales is below the Living Wage.

or

Resolution 2:

Toft Newton Parish Council resolved to adopt the Living Wage Proposal and will regrade both posts to ensure that our employees are paid at rates which are equivalent to, or in excess of The Living Wage Foundation – applicable from the 1st of April 2027.

and

Resolution 3:

Toft Newton Parish Council resolves to become a Living Wage Foundation accredited employer.

or

Resolution 4:

Toft Newton Parish Council resolves to commit to at least matching the Living Wage rates, but will not become a Living Wage Foundation accredited employer.

Further Information

The Living Wage Foundation

<https://www.livingwage.org.uk/>

The National Joint Council for Local Government Services

<https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-services>

UK Minimum Wage History

<https://ukminimumwage.co.uk/minimum-wage-history/>