

# Public Document Pack



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15 April 2013

## CITY COUNCIL - SUPPLEMENT

Monday 22 April 2013

2pm

Council House (Next to the Civic Centre), Plymouth

### Members:

The Lord Mayor, Councillor Wright, Chair

The Deputy Lord Mayor, Councillor Singh, Vice Chair

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Browne, Casey, Churchill, Coker, Damarell, Darcy, Philippa Davey, Sam Davey, Mrs Dolan, Drear, Evans, K Foster, Mrs Foster, Fox, Fry, Gordon, Haydon, James, Jarvis, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr. Mahony, McDonald, Monahan, Murphy, Mrs Nelder, Nicholson, Mrs Nicholson, Parker, Penberthy, Mrs Pengelly, Rennie, Ricketts, Dr. Salter, John Smith, Peter Smith, Stark, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins and Williams.

I refer to the agenda for the above meeting and attach for your attention please three further motions on notice which will be considered under agenda item 13.

**Tracey Lee**  
Chief Executive

# **CITY COUNCIL**

## **AGENDA**

### **PART I – PUBLIC MEETING**

#### **MOTIONS ON NOTICE**

To consider motions from councillors in accordance with Part B, paragraph 14 of the constitution.

#### **13. ANY FURTHER MOTIONS ON NOTICE**

To consider any further motions from councillors in accordance with Part B, paragraph 14 of the Constitution.

- (a) Under-Occupancy 'Bedroom Tax' **(Pages 1 - 2)**

To consider a motion proposed by Councillor Penberthy and seconded by Councillor Kate Taylor.

- (b) National Minimum Wage **(Pages 3 - 4)**

To consider a motion proposed by Councillor Evans and seconded by Councillor Tuffin.

- (c) Construction Industry Blacklisting **(Pages 5 - 6)**

To consider a motion proposed by Councillor Evans and seconded by Councillor Peter Smith.

# CITY COUNCIL

22 April 2013



## MOTION ON NOTICE

### Under-Occupancy 'Bedroom Tax'

- The under-occupancy reductions 'bedroom tax' came into effect on 1 April 2013. The reductions stipulate a 14% reduction for those homes deemed to have one bedroom more than they need and 25% reduction for those homes deemed to have two more bedrooms than they need.
- It will affect anyone of working age (below 61 ½) deemed to be under-occupying a social housing home. This equates to 2000 homes across Plymouth with the average reduction being £10 per week for one additional bedroom and £20 per week for two.
- Those couples who need an extra bedroom because of one of them having a medical condition or disability are not exempt and will be subject to a reduction.
- Non-resident parents who have their children to stay at weekends in the holidays for instance are not exempt and will be subject to a reduction.
- Families who offer regular respite support to other family members are not exempt and will be subject to a reduction.
- People living in homes which have been substantially adapted at tax-payers' expense to meet their need are not exempt and will be subject to a reduction.
- This Council is committed to supporting all residents both children and adults, including those with disabilities and medical needs.
- The Discretionary Payments Fund that the Government has made available is estimated to cover less than 17% of those affected by the bedroom tax.
- The Government's own Equality Impact Assessment estimates that two-thirds of households affected will have a member with a disability.
- Many independent analysts are predicting that households will move into the private rented sector, costing more, and that care needs for many disabled people will increase, again costing more. Rents for private housing invariably costs more than social housing and are less likely to be adapted for disability needs.
- There is not an excess supply of small properties available for households to move into in Plymouth.

Council therefore believes:

- That the bedroom tax will unfairly hit many people including families with disabled children or adults, families who share the care of their children, families who offer respite care to other family members.
- This policy may well end up costing the public purse more.
- That disabled people – both adults and children – deserve respect and not to be penalised for their medical needs.
- That we value the role of non-resident parents and believe they should be encouraged to play as full a part in the lives of their children as possible.
- That we value and appreciate the role of families who offer respite care – and not only because it saves the taxpayer billions of pounds.
- That Housing Associations will have difficulty in keeping arrears down, damaging services for all tenants.

Council therefore resolves to:

- Ask the Chief Executive to write to the Secretary of State outlining our concerns and urgently requesting that the bedroom tax is scrapped.
- Ask the Cabinet Member for Co-operatives and Community Development to write to Plymouth MPs outlining our concerns and asking that they lobby for their affected constituents and push for the bedroom tax to be scrapped.
- To offer support and encouragement to the Plymouth Social Landlords Group as they proactively support their tenants.

**Proposed by Councillor Penberthy**

**Seconded by Councillor Kate Taylor**

# CITY COUNCIL

22 April 2013



## MOTION ON NOTICE

### National Minimum Wage (NMW)

#### Council Notes:

A review from the Government (BIS) has suggested that the Low Pay Commission (LPC) should formally consider its impact on 'employment and the economy' before recommending future increases in the national minimum wage (NMW). The review explicitly recommends that new terms for the Commission should incorporate 'the understood and accepted goal to raise the wages of the lowest paid without damaging employment or the economy'.

**Council also notes:** the recent abolition of the Agricultural Wages Board.

#### Council further notes:

- The National Minimum Wage Act 1998 created the first minimum wage across the United Kingdom. The NMW took effect on 1 April 1999 and is traditionally announced in March each year by the LPC, after negotiations with employers, unions and the Government.
- The NMW currently stand at £6.19 per hour for workers aged 21 years and older, £4.98 per hour for workers aged 18 and 20.
- According to the Low Pay Commission (2012), the adult rate of the NMW has increased by nearly 69 per cent since its introduction. That is faster than both average earnings and prices. Since October 2006, however, the increases in the minimum wage have broadly been in line with average earnings, though below inflation.
- Based on a wealth of economic research, the Low Pay Commission conclude that the lowest paid have received higher than average pay rises, there has not been a rise in wage inflation and, on balance, there has been little or no significant adverse impact of the minimum wage on employment. They quote: 'The NMW was introduced 12 years ago and, at about the same time, wage inequality at the bottom of the earnings distribution started to fall, having risen over the preceding 20 years'.
- According to research for the LSE (2012), areas with the lowest wages prior to the introduction of the minimum wage experienced the greatest falls in inequality over the period from 1998 to 2010. In addition, the fall in wage inequality has been more pronounced in younger age groups. These findings have resonance for Plymouth – a generally low wage economy with a relatively large younger (aged 18-24) population.
- While no specific data for the impact of the NMW on Plymouth exist, trends in the city's earnings over the last decade point to an improvement in relative position. Between 2000 and 2010, average weekly workplace wages in the city increased from £360 to £422 per week<sup>1</sup>. This meant that average wages relative to the SW average increased from 97% to

<sup>1</sup> Oxford Economics (2012) based on Annual Survey of Hours and Earnings (ASHE), ONS

101% (1% above) and from 86% to 89% relative to the national average. On a resident basis, the relative gaps also closed – 92% to 93% (vs. SW) and 83% to 85% (vs. UK).

- The value of the NMW in real terms has fallen to 2004 levels under the coalition.

***Council believes that any freeze or reduction in the real value of the NMW may:***

- Reverse the positive trends seen in the labour market since its inception.
- Reduce incentives to work at a time where Welfare reform is attempting to resolve this very issue. If remuneration for work diminishes, this could make the option of living off benefits a rational choice for individuals.
- Reduce consumer spending power at a time when demand is weak, real incomes constrained, and expectations over future prospects uncertain. In theory, those individuals at the lower end of the earnings spectrum tend to have a greater marginal propensity to spend to meet basic demands.
- Have an adverse impact upon the socio-economic wellbeing of households and families, for example, by increasing pressures on personal debt.
- Have an adverse impact on the apprenticeship programme – employers may make an active decision that lower paid part-time posts are more attractive than full-time apprenticeship post. This could have a disproportionate impact on younger people.

**Council believes:** that protection for the lowest paid workers is under threat.

**Council therefore resolves to:**

- Ask the Chief Executive to write to the Secretary of State outlining our concerns over changes to the remit of the Low Pay Commission and emphasising the value and importance of the NMW to the local economy.
- Ask the Chief Executive to write to Plymouth MPs outlining these concerns and asking that they lobby for their affected constituents, emphasising the value and importance of the NMW to Plymouth's economy.

**Proposed by Councillor Evans**

**Seconded by Councillor Tuffin**

# CITY COUNCIL

22 April 2013



## MOTION ON NOTICE

### Construction Industry Blacklisting

A number of construction companies have been challenged about supporting the existence of and subscribing to unlawful construction industry 'blacklists', which detail covertly gathered information on construction trade unionism, militant tendencies, poor timekeeping, trouble making, etc. Blacklisting is an unacceptable practice and cannot be condoned. The GMB union is leading a national campaign aimed at forcing those who have been involved in blacklisting to apologise to those who have been affected by it.

It is understood that the construction industry blacklist was collated by the Consulting Association (a private consultancy) and was then provided at a cost to construction companies as they sought to recruit/avoid new workers. The Information Commissioner has investigated and taken action against the Consulting Association for this practice. Furthermore, the Information Commissioner has taken enforcement action against a number of construction companies based on the evidence recovered from the Consulting Association.

Owing to the concentration of construction activity in and around large cities, many of those alleged to have been discriminated against live in the country's major cities, and this practice may have disadvantaged residents of Plymouth.

Given the potential impact on residents of the Plymouth area, this Council –

- (a) deplores the use of unlawful blacklisting;
- (b) supports the GMB campaign;
- (c) agrees to amend the council's tender documentation for construction projects, which will request bidders to confirm that they do not subscribe to the use of unlawful construction industry 'blacklists' and exclude tenderers who use such blacklists, and further, will terminate the contract where the contractor is subsequently found to have used such blacklists.
- (d) will encourage its partners to take similar measures with regard to their suppliers

**Proposed by Councillor Evans**

**Seconded by Councillor Peter Smith**

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