



Leicester
City Council

CABINET

WARDS AFFECTED
Corporate Issue - All Wards

15th March 2004

**REFERRAL FROM STRATEGIC PLANNING and REGENERATION SCRUTINY
COMMITTEE REGARDING HIGHFIELDS MINIMUM WAGE PROJECT**

Report of the Service Director (Regeneration).

1. At the meeting of Strategic Planning and Regeneration Scrutiny Committee on 19th February 2004, in the discussion on the Highfields Minimum Wage Project it was resolved:
 - (1) that the Committee welcomes the excellent work that is being carried out in the Highfields Minimum Wage Project;
 - (2) that the Chair writes to the relevant minister requesting that the Government funds and supports a City wide minimum wage project;
 - (3) that the Triumvirate be tasked to develop further proposals for further investigation into this area;
 - (4) that the issues around the minimum wage be brought to the attention of Cabinet.
2. **Summary**
 - 2.1 The Committee discussed the Second Year Report of the Highfields Minimum Wage Project (HMWP). The project works proactively, at a community level, to reach hard to engage workers and ensure effective enforcement of the minimum wage. It has been funded since September 2001 by the DTI. Considerations will be made whether to continue funding the project as it is due to cease in August 2004.
 - 2.2 Members may wish to take the following into consideration when making the decision as to whether they should support the Scrutiny Committee's recommendations:
 - a) Welcoming the excellent work:- Previous to the HMWP being launched, there had been no reported cases of minimum wage underpayment. In Leicester. Since then the HMWP has made progress in identifying a number of cases, in the city, in which the minimum wage was not being paid and developed a partnership with the Inland Revenue in ensuring effective enforcement;
 - b) Write to the relevant minister requesting funds and support for a city wide project:- The project was set up as a pilot targeted to the Highfields area. However, the project has identified a need for effective minimum wage enforcement in other areas

of the city. Although it is still confining its proactivity to the Highfields area, it means that the project is, presently, taking referrals from all over the city.

- c) Develop further proposals for further investigation into this area:- These proposals could include:
- developing links and working with employers to make the minimum wage more easily affordable;
 - investigating supply chains through developing links with agencies such as the Ethical Trading Initiatives;
 - ensuring that the research that is commissioned by the Low Pay Commission, such as why firms pay less than the minimum wage and links with the informal economy are disseminated to, and actioned, in the city;
- d) Issues around the minimum wage include: Considering and assessing the impact that the minimum wage has on:
- encouraging people to take up employment through helping make work pay;
 - addressing economic exclusion and promote social cohesion;
 - assisting business to operate on a level playing field.

3. Recommendations

Members of the Cabinet are recommended to support the recommendations of the Scrutiny Committee for the above reasons.

4. Headline Financial and legal Implications

There are no legal implications in this report.

There are no financial implications in this report as the Highfields Minimum Wage Project is funded by the DTI.

Report Author

Jeff Miller,
Service Director (Regeneration)
252 6380