

## Appendix 5

### Summary of Costs to implement the Living Wage using a staged approach (excludes inflation)

				Year 1	Year 2	Year 3	Year 4	Year 5
				2016/17	2017/18	2018/19	2019/20	2020/21
				£000's	£000's	£000's	£000's	£000's
Scenario 1	Above Average Current Market Rate to Care Worker (+1%)	Living Wage £7.85 phased introduction by <b>year 3</b>	Additional Cost per annum £000's	1,287.66	1,810.23	2,332.79	2,332.79	2,332.79
			<b>Cumulative cost £000's</b>	<b>1,287.66</b>	<b>3,097.89</b>	<b>5,430.68</b>	<b>7,763.47</b>	<b>10,096.26</b>
			<b>Average Care Worker Pay</b>	<b>7.31</b>	<b>7.58</b>	<b>7.85</b>	<b>7.85</b>	<b>7.85</b>
Scenario 2	Above Average Current Market Rate to Care Worker (+1%)	Living Wage £7.85 phased introduction by <b>year 4</b>	Additional Cost per annum £000's	1,287.66	1,636.04	1,984.41	2,332.79	2,332.79
			<b>Cumulative cost £000's</b>	<b>1,287.66</b>	<b>2,923.70</b>	<b>4,908.11</b>	<b>7,240.90</b>	<b>9,573.69</b>
			<b>Average Care Worker Pay</b>	<b>7.31</b>	<b>7.49</b>	<b>7.67</b>	<b>7.85</b>	<b>7.85</b>
Scenario 3	Above Average Current Market Rate to Care Worker (+1%)	Living Wage £7.85 phased introduction by <b>year 5</b>	Additional Cost per annum £000's	1,287.66	1,548.94	1,810.23	2,071.51	2,332.79
			<b>Cumulative cost £000's</b>	<b>1,287.66</b>	<b>2,836.60</b>	<b>4,646.83</b>	<b>6,718.34</b>	<b>9,051.13</b>
			<b>Average Care Worker Pay</b>	<b>7.31</b>	<b>7.45</b>	<b>7.58</b>	<b>7.72</b>	<b>7.85</b>

#### Notes

- Average Current Market Rate includes 1% to care workers agreed from Nov 14.
- 5 year cumulative cost if use Above Average Current Market Rate to care worker +1% and do not introduce the Living Wage is £6.4m