

A LIVING WAGE CONTRACT



**Living Wage Foundation
Recognised Service Providers**
– ending low pay one contract at a time

We are a Recognised Service Provider proudly working with the Living Wage Foundation to promote the real Living Wage. We believe in paying a decent wage to our staff, who carry out vital work for many organisations, and therefore always provide a Living Wage costed bid to all our clients. This gives you the chance to decide if the Living Wage is right for your organisation.

WHAT IS THE REAL LIVING WAGE?

The real Living Wage is an independently calculated rate of pay that is based on the cost of living. At the heart of the Living Wage movement is a simple idea - that a hard day's work deserves a fair day's pay. In 2016 the

government introduced a rise in the minimum wage for over 25s, they called this new statutory minimum the 'National Living Wage'. However, this is not based on the real cost of living. That's why thousands of UK employers have voluntarily committed to going further, by paying all their staff the real Living Wage.

The real Living Wage is based on the actual cost of living, taking into account the cost of housing, food, travel and other essentials. It enjoys cross party support and is paid by thousands of employers, including half of the FTSE 100.

	THE MINIMUM WAGE <i>Government minimum for under 23s</i>	NATIONAL LIVING WAGE <i>Government minimum for 23s and over</i>	REAL LIVING WAGE <i>The only wage rate based on what people need to live</i>
WHAT IS IT?	£10.18	£10.42	£12 across the UK and £13.15 in London
IS IT THE LAW?	<i>Statutory</i>	<i>Statutory</i>	<i>Voluntary</i>
WHAT AGE GROUP IS COVERED?	<i>21 and older</i>	<i>23 and older</i>	<i>18 and older</i>
HOW IS IT SET?	<i>Negotiated settlement based on recommendations from businesses and trade unions</i>	<i>A % of medium earnings, currently at 66%, it aims to reach 60% of median earnings by 2024</i>	<i>Calculation made according to the cost of living, based on a basket of household goods and services</i>
IS THERE A LONDON WEIGHTING?	<i>No London Weighting</i>	<i>No London Weighting</i>	<i>Yes - Separate higher rate for London</i>

LOW PAY IN THE SERVICE SECTOR

Full timeworkers on the real Living Wage earn nearly **£60** a week more than over 23s on the government minimum, or **£95** a week in London. Cleaning, security, catering and other service professions have some of the highest levels of low pay in the UK, 83% of waiting staff and 70% of cleaners earn below the Living Wage. We want to change our industry for the better, and that's why we champion the real Living Wage through our contracts.

By accepting our Living Wage costed bid, you'll be making a huge difference to workers like Jodie.

“AS A SINGLE PARENT, THERE ISN'T ALWAYS A GREAT DEAL OF MONEY LEFT OVER ONCE THE BILLS HAVE BEEN PAID. THE REAL LIVING WAGE HAS ALLOWED ME TO REGULARLY PAY INTO A SAVINGS ACCOUNT WHICH MY SON CAN ACCESS WHEN HE IS 21. IT MAY NOT BE MUCH, BUT IT'S ALLOWED ME TO HELP PLAN FOR HIS FUTURE FINANCIALLY.”

JODIE

93%

SAY IT HAS BENEFITED THE BUSINESS

86%

SAY IT HAS IMPROVED THE REPUTATION OF THE BUSINESS

75%

SAY IT HAS INCREASED MOTIVATION AND RETENTION RATES FOR EMPLOYEES

64%

SAY IT HAS HELPED DIFFERENTIATE THEMSELVES FROM OTHERS IN THE INDUSTRY

BENEFITS TO YOUR ORGANISATION

As well as being the right thing to do, paying the real Living Wage has been proven to have business benefits. With the staff working on your premises paid the real Living Wage, you can expect to see reduced absenteeism, increased staff retention and increased staff motivation.

More than **80%** of employers believe that the real Living Wage had enhanced the quality of the work of their staff, while absenteeism had fallen by approximately **25%**.

BECOMING A LIVING WAGE EMPLOYER

By paying the real Living Wage on this contract, you're one step closer to being able to accredit as a Living Wage Employer.

Living Wage Employers pay all their directly employed staff the real Living Wage and commit to ensure all their third party contracted workers are also paid this rate.

There are now nearly 14,000 Living Wage Employers including organisations like IKEA, Nationwide, Oxfam, ITV, Nestle, Aviva and LUSH. If you'd like to find out more, please go to:

WWW.LIVINGWAGE.ORG.UK/BECOME-A-LIVING-WAGE-EMPLOYER

