

# A LIVING WAGE CONTRACT



**Living Wage Foundation: Living Wage Employer**– ending low pay one contract at a time

We are a Living Wage Employer 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, (now over 23s) 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?	<b>£8.36</b>	<b>£8.91</b>	<b>£9.90</b> across the UK and <b>£11.05</b> 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, it aims to reach 66% 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 time workers on the real Living

Wage earn **£15** a week more than over 25s on the government

minimum, or **£58** 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%**.

