



We are a
Living Wage
Employer

What is the Living Wage?

The Living Wage is paid by employers on a voluntary basis. It is an hourly rate which is set independently and updated yearly. It is calculated according to the basic cost of living in the UK and currently stands at £9.00.

The aim of the Living Wage is that no one should have to do a day's work for less than they can live on. The Living Wage Foundation's accreditation intends to recognise the dignity of work and the importance for individuals, families and society to earn a wage which provides an acceptable standard of living.

It can have a positive impact on productivity and staff turnover so not only makes good business sense but offers wider economic and social benefits too.

Explaining UK Wage Rates

	Minimum Wage 21-24	Minimum Wage 25+ (‘national living wage’)	Living Wage
	£7.70	£8.21	£9.00 across the UK and £10.55 in London
Is it the law?	Law	Law	Voluntary
What age group is covered	21 and older	25 and older	18 and older
How is it set?	<u>Negotiated Settlement</u> based on recommendations from businesses and trade unions	<u>A % of median income currently</u> at 55% it aims to reach 60% of median income by 2020	<u>Calculation</u> made according to the cost of living, based on a basket of household goods and services
Is there a London Weighting?	No London weighting	No London weighting	Yes - there is a separate higher rate for London

Why should the Living Wage be considered?

In addition to financial benefits for employees in receipt of the Living Wage, national research has identified the following benefits, which are consistent with any salary increase:

- Reduced absenteeism
- Increased productivity
- Improved employer of choice
- Improved employee engagement
- Improved retention of staff
- Savings on recruitment and retention costs
- Higher work morale and motivation
- Reputational benefits of being an ethical employer

Across the UK one in five workers earns less than the Living Wage and 87% of consumers think that companies should voluntarily pay the Living Wage if they can afford to do so.

£9.00(or **£10.55** in London) is the full Living Wage rate.
It's called a 'living wage' because it's based on the cost of living.



a year's
fuel bills



a family
holiday



annual
travel
to work



It adds up to **£2000+** more in pay each year than the government's 'national living wage' of **£8.21**.

Support the full Living Wage at www.livingwagemovement.org



Who pays the Living Wage?

Living Wage Employers range from community pubs, wholesalers, service providers and Local Authorities to consultancies, legal firms, charities, banks, building societies and food manufacturers.

The list is long but below are examples of Living Wage employers in Wales:

The City of Cardiff Council, Welsh Government, Cardiff Community Housing Association, Cardiff Bus, Cardiff & Vale Credit Union, Cardiff University, Melin Homes, Wales & West Housing, Cynnal Cymru – Sustain Wales, First Choice Housing Association, Freshwater, National Assembly for Wales.

The City of Cardiff Council is proud to have paid the Living Wage to all its employees since September 2012 and being an accredited Living Wage Employer since November 2015. This means that all directly employed and agency staff are paid a minimum of the Living Wage, with the exception of apprentices and under 18s.

The City of Cardiff Council believes that paying the Living Wage is a key indicator of an employer's commitment to fair work practices. That is why the Council is now working to make Cardiff a Living Wage city by not only encouraging our contractors and suppliers to pay the Living Wage but also our partners. The Council will also be working to promote the Living Wage across the wider local business community. Our aim is to support and encourage as many local businesses as possible to commit to paying their employees the Living Wage.

87% think companies should pay the Living Wage if they can afford to do so

Around **30%** of people earning above the Living Wage anticipate an improvement in their household finances during the next 12 months.

The latest figure indicates that **23%** of all employees now earn less than the Living Wage - up from 22 percent last year and 21 percent the year before.

2/3 of employers reported a significant impact on recruitment and retention within their organisation

70% of adults say they'd consciously shop in favour of a Living Wage retailer

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

The Council acknowledges that paying the Living Wage presents particular challenges in the independent social care sector and this has been recognised in the level of uplift provided to the sector with effect from April 2016 to mitigate the impact the national living wage. The Council will now be looking to work with the Welsh Government, the social care sector and others to explore how the social care sector can be best encouraged to pay the Living Wage to staff working on public sector contracts.

“It was a significant achievement for the City of Cardiff Council when we gained Living Wage status in November 2015. Everyone that the Council does business with will know that we are a Living Wage employer and in gaining the accreditation, we have committed to work closely with our contractors and other organisations that provide services on Council property to encourage them also to pay the Living Wage.”

Cllr Phil Bale, Leader of the City of Cardiff Council

“We are delighted that the City of Cardiff Council has accredited as a Living Wage employer. It shows real commitment to improving the lives of low-paid workers - and while many employers talk the talk, the councillors and officials at Cardiff have really put their money where their mouth is. We hope that other employers in the capital will follow their example.”

Jonathan Cox, Lead Organiser of Citizens Cymru Wales

“I have definitely noticed the difference. I’m about £65 to £70 a month better off and this is helping me pay off some of my debts. It offers a little relief from the pressure.”

Council cleaner who benefitted from the Living Wage

Becoming a Living Wage employer

The City of Cardiff Council is encouraging local organisations and businesses to pay their staff a minimum of the Living Wage. Find out more about becoming a Living Wage employer by visiting:

www.livingwage.org.uk



Twitter: [@livingwageUK](https://twitter.com/livingwageUK)



Facebook: www.facebook.com/LivingWageUK/

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