

GENERAL SYNOD

PRIVATE MEMBER'S MOTION: LIVING WAGE

A Background Paper from Mr John Freeman

That this Synod, recognising that the widening gap between rich and poor harms all of society and that paying a "Living Wage" lifts people out of poverty:

- (a) *affirm the Christian values inherent in the concept of the "Living Wage"; and*
- (b) *strongly encourage all Church of England institutions to pay at least the "Living Wage" as recommended by Church Action on Poverty.*

1. The Living Wage is enough to ensure an adequate standard of living and not be in poverty.

How much is the Living Wage?

2. New figures for the UK and London will be announced on 5 November 2012 by the Living Wage Foundation and Mayor of London, but they currently stand at £7.20 and £8.30 respectively. This is more than the statutory national minimum wage, which is currently £6.19 (for workers aged 21) and substantially less for young people. This takes into account top-up benefits and credits which are often not enough to avoid poverty.

Why pay the Living Wage?

3. People who work hard full time should not be subject to poverty. To do any less is a denial of the dignity that God has given them. The Living Wage is an idea that flows directly from Christian values that has resonated throughout the secular world.
4. A complex labour market which prices in supply and demand is a fact of modern societies. However, human endeavour cannot be a product bought and sold like any other commodity. It is morally unacceptable to price labour so low that people are forced to work long and hard yet still live in poverty. It is an indictment of the UK's low-pay culture and the low level of the legally enforced Minimum Wage that 61% of children living in poverty actually have working parents.
5. For over 5 million people in the UK today – 21% of the workforce – hard work and poverty pay is their daily reality. Before the Methodist Church adopted the Living Wage its internal research showed that many of these low-paid workers worked in Methodist churches as cleaners, office workers, gardeners and caretakers. There is good reason to believe the same will be true in Church of England churches. Many of those on sub-Living Wage salaries also live in the most deprived communities which we as a church are committed to as part of our mission.

'People should be paid a fair wage for a fair day's work – anything else is unjust.'
(Archbishop of York, September 2012)

'As an employer, the Church has a moral responsibility towards its workers – so we will not pay the market price for labour if it means that our workers struggle to support themselves and their families. We value every individual and their different talents and skills. We want to show this by paying a wage which reflects that we value our staff and want to bear in mind their needs and welfare.'
(General Secretary of the Presbyterian Church of Wales, July 2012)

Costs and Benefits

6. Anecdotally, the experience of most churches is that when they ask the question 'How much will it cost to pay the Living Wage?' the answer is surprising low. It is surprisingly easy to be a low-pay employer without facing up to it or realising how little money it is saving.
7. When the synod of the Diocese of Sheffield came to debate this issue 12 months ago it was estimated that the financial cost would be in the region of only £6,500. Other systematic research by the Methodist Church showed that the overall cost of Living Wage was relatively small, affecting only around one in six churches. These churches tended to be small and the jobs involved were typically the 3-hour a week cleaner or the person doing occasional maintenance or gardening work; often these were people who were already doing other low paid jobs and needed the extra cash.
8. Employers are increasingly recognising the strong business case for paying the Living Wage. It makes people happier at work and more motivated, it reduces absenteeism, staff turnover goes down, and productivity is increased. We should by all means make the economic argument for paying a Living Wage – but the bottom line is that we should do it because it is morally right.
9. The Living Wage helps to clarify the difference between people whose work for the church is their livelihood and those for whom it is part of their voluntary commitment or vocation, making these boundaries less inappropriately blurred and less prone to forms of exploitation.
10. But it is all of us, as taxpayers, who bear the cost of sub-Living Wage salaries. The Institute for Fiscal Studies estimates it mounts up to £6bn a year in benefits and forgone revenue.

Who already pays the Living Wage?

11. It is important to note that Living Wage is not a party political issue. Politicians as diverse as David Cameron, Boris Johnson, Ed Miliband and Alex Salmond have all endorsed the Living Wage. A range of large and small employers have already shown that Living Wage is both affordable and makes sound business sense. This includes Barclays, PricewaterhouseCoopers, Lloyds of London, KPMG and Lush – and in the public sector the Greater London Authority, at least 35 councils, 12 universities, and

four hospitals. Public opinion polling shows 4 out of 5 people think the minimum wage is too low.

12. Since 2010 all Methodist churches, districts, circuits and projects have been required to pay the Living Wage, except in exceptional circumstances. Similarly the Church of Scotland General Assembly urged all of their congregations and agencies to implement the Living Wage with all possible speed and in all cases by 2015, or have a plan in place by then with an agreed deadline. They also urged congregations to make payment of the Living Wage a criterion in awarding goods and services over the value of £100,000 in any year. Past assemblies of the United Reformed Church and the Baptist Union of Great Britain have supported the principle of the Living Wage.
13. At least 10 Anglican dioceses in England have publically supported the Living Wage, including Bristol, Chester, Winchester, Portsmouth, Sheffield, Southwark, Southwell & Nottingham, St Albans, Ripon & Leeds and York. Last year the Second Church Estates Commissioner confirmed to Parliament that those jointly employed by the seven Church of England national church institutions are paid in excess of the Living Wage. These are the staff who work at Lambeth Palace, at Lambeth Palace Library, at Bishopthorpe Palace in York, and for Archbishops Council, the Church Commissioners, the Pensions Board and the National Society for Promoting Religious Education at Church House. In addition the Church Army pays the Living Wage.

How is the Living Wage calculated?

14. The independent Centre for Research in Social Policy at Loughborough University conduct thorough and rigorous research to work out what is needed for an adequate standard of living. It involves in-depth surveying of a cross-section of society to discuss and agree what is needed for an adequate standard of living – something that people feel nobody in Britain should fall below. The required wage to meet these costs for different household types is then calculated (assuming full time work and claiming all relevant benefits or tax credits).
15. **This motion respects the autonomy of dioceses, parishes, church schools and associated charities to handle their resources. So this is not the mandatory guidance other churches have adopted. But as a church we have a duty of care to our own staff to accord them the dignity that God gives us all. As such, the people who care for our elderly, our children, our churches, and our offices should be paid a Living Wage rather than poverty wages.**

Published by the General Synod of the Church of England

and on sale at the Church House Bookshop

31 Great Smith Street, London SW1P 3BN

Copyright © The Archbishops' Council 2012

£1