

## **Swindon Living Wage Survey – final report**

The survey was conducted by the Swindon Equality Group during the Summer of 2014 with support from Robert Buckland MP.

During the time of the survey Nationwide, the largest private employer in Swindon, announced that they would be implementing the living wage.

### **Executive Summary**

- Ten organisations, representing approximately 10,000 workers, responded to the survey
- The responses gained from the ten Swindon employers were generally positive towards paying the living wage, echoing similar surveys conducted nationally.
- Particular difficulties were noted for small organisations however no-one felt that there would be an increase in unemployment through paying the living wage.
- Agency work and outsourcing would present a separate challenge to all of the organisations in our survey

### **Context**

- Swindon Equality Group

A group of local people who seek to raise awareness about income inequality and campaign to reduce it in the local area; the group is politically non-aligned and affiliated to The Equality Trust which is a national evidence- based campaign that aims to improve the quality of life in the UK by reducing inequality.

[www.swindonequality.btck.co.uk](http://www.swindonequality.btck.co.uk)

- Living Wage

Along with other issues SEG works on their current campaign which is to persuade Swindon Borough Council to pay the living wage to its employees and contracted staff. Over 1000 organisations now pay the living wage including three FTSE 100 companies. 82 councils in England and Wales (approximately 20%) and all 32 councils in Scotland also pay the living wage.

[www.livingwage.org.uk](http://www.livingwage.org.uk)

- Local MP

Robert Buckland (Conservative MP for Swindon South) showed an interest in discussing the Living Wage and agreed to work with SEG on a fact finding exercise with local employers.

[www.robertbuckland.co.uk](http://www.robertbuckland.co.uk)

- Relevant National and Local issues

There has been much media attention over the last two years on issues of low pay, poverty and rising income inequality. Several areas of the country have used fairness commissions to examine local issues and suggest approaches. The numbers of people using food banks have risen significantly over this period (6,000 recipients in Swindon), a further indication that low pay is having a significant impact locally.

## Survey Purposes

- To gather data and opinions about what is happening in Swindon and discover what employers think about the Living Wage (positive and negative)
- To provide information for politicians, officers and employers (in our early work we found that many people were unclear about the details regarding the Living Wage)
- For the Swindon Equality Group the survey findings could help to take our campaign to a new level

## Methodology

- A group of Swindon Equality Group members working with Robert Buckland drafted and agreed the survey questions along with an introductory letter
- 'Survey Monkey' was selected for ease of use (and zero cost)
- A range of 40 local organisations were selected – a mixture of public and private (first and third sectors), both large and smaller (but deliberately not the smallest).

## Results

- After two letters, personal contact with two companies and a 'mail out' from Business West the overall response was disappointing with just 10 companies completing our survey. However the number of workers represented by those ten organisations was 10,000 (approx. 10% of the Swindon workforce). Six of the organisations are first sector while four were from the third sector (including the largest respondent).
- Just one of the ten respondents was already registered as a living wage employer while three others said that they would be willing to consider it.
- Information and opinions expressed:  
*In your opinion what are/would be the advantages to your organisation in paying the living wage*  
Four organisations skipped this question, of those who responded all stated that improved recruitment would be a major advantage while others included improved worker retention as important. The largest organisation stated that paying the living wage would result in a lower turnover of contractors.  
*In your opinion what are/would be the disadvantages to your organisation in paying the living wage*  
Three organisations skipped this question. The impact on pay structures along with an increased wage bill was identified by four organisations while passing price increases on to customers was seen as an issue by one. Increased difficulty in engaging contractors was

included by one organisation however no-one felt that paying the living wage would cause redundancies, reduction of profit margins or share prices.

*In your opinion what are the likely advantages to Swindon and to the UK if organisations paid the living wage*

One respondent skipped this question. Seven said that it would help to reduce poverty, six that a reduction in the benefits bill would be very beneficial, five said that workers would spend the increase in wages locally, and that local housing would become more affordable while four said that Swindon becoming known as a living wage town was important. One organisation had conducted their own survey where 48% of people said that they would be able to save some money 'for a rainy day' thus providing greater resilience\*(see below).

*In your opinion what are the disadvantages to Swindon and the UK if organisations paid the living wage*

This question was skipped by four respondents. None of the remaining six felt that paying the living wage would increase unemployment generally although three stated that if smaller companies were forced to pay the living wage then it might lead to their closure. Only one organisation felt that there might be an impact on inflation.

*What % of your workforce is paid below £7.65 p.h*

Four respondents skipped this question and the remaining six all said that approximately 5% of their workforce was currently paid below the living wage.

*What % of your workforce is paid as agency staff*

Four respondents skipped this question with five paying 5% as agency staff and one paying 10%

*What % of workers operating in your organisation are 'outsourced' e.g. cleaning staff*

The final question was skipped by three organisations while five outsource 5% of their workforce and just two outsource 10%.

## Conclusions

- The positive responses, to paying the living wage, gained from Swindon employers echoes the results from national surveys e.g. improved recruitment and retention and the reduction of poverty, while the local spending of wage increases and the affordability of housing was also seen as very important along with a reduction in the benefits bill.
- An impact on pay structures was recognised with a possible increase in costs for customers and a particular difficulty for small businesses was noted.
- No organisation felt that paying the living wage would lead to an increase in unemployment, a reduction of profit margins or a negative impact on share prices.
- The percentage of workers paid below the living wage was generally 5% while three organisations stated that they would now consider paying the living wage to those workers.
- Typically organisations have less wage control over between 5 and 10% of their workforce because of agency work and outsourcing.

\*Nationwide survey results summary

## **NEARLY NINE IN TEN BRITONS THINK THAT EMPLOYERS SHOULD PAY THE LIVING WAGE**

### **More than seven in ten people think that the Living Wage should replace the National Minimum Wage**

New research commissioned by Nationwide Building Society, in partnership with the Living Wage Foundation, has found that **85% of people think that companies who are able to should voluntarily pay their employees the Living Wage.**

The survey also **found 72% of people believe that the voluntary wage of £7.65 an hour nationally and £8.80 in London should replace the current minimum wage of £6.31.** This comes as less than one in ten people feel that the minimum wage is enough to maintain a reasonable standard of living (9%).

Consumers are becoming more conscious too, with **more than half of people saying that they would be more likely to use the goods and services of a company that paid its employees the Living Wage (54%)** – a figure independently calculated to reflect the cost of living in the UK.

The YouGov survey, commissioned by Nationwide to understand public opinion on the Living Wage, found that more than **two in ten working class people surveyed earned less than the Living Wage (22%).**

When asked what they would spend an additional £148.07 a month, the difference between the Living Wage and the National Minimum Wage, **over half of working class respondents said they would spend the difference on food (51%). The wage would also contribute to almost half of respondents bills' (47%),** showing the benefits to the cost of living. **It would also encourage more than four in ten to start saving (43%),** which can benefit people in saving for a house or for a more comfortable retirement.

*Another finding was that the public are aware of the benefits the Living Wage can offer. More than six in ten thought that the Living Wage would improve staff morale (64%), and almost four in ten said that individuals would be more motivated if they received the Living Wage (39%). Three in four said that the wage would offer employees a better work-life balance (30%).*

Nationwide have been selected as a Principal Partner by the Living Wage Foundation following their accreditation as a Living Wage employer. This is a pledge by the Society to pay all permanent employees, from permanent employees to contractors and temporary workers, at least £7.65 an hour, or £8.80 in London.

**Alison Robb, Group Director at Nationwide,** said: "It's fantastic to have been invited to become a Principal Partner of the Living Wage Foundation, and we are certainly looking forward to working with the Living Wage to encourage other employers to become accredited in future. The Living Wage accreditation shows Nationwide's commitment to doing the right thing by its people and we are proud to join the fight for fairer pay."