

# MINUTES OF THE OXFORD LIVING WAGE REVIEW GROUP



**Tuesday 17 October 2017**

**COUNCILLORS PRESENT:** Councillors Goff, Iley-Williamson and Ladbrooke (Chair).

**GUESTS PRESENT:** Laura Valadez (Centre for Research in Social Policy, Loughborough University), Mark Fransham, (social researcher and former City Council employee), Luke Marion (Finance & Commercial Director, Oxford Bus Company), Sue Merrell (Union of Shop, Distributive and Allied Workers), Eric Bossward, (Church England St. Mary's Barton), Father Richard Finn, (Blackfriars, Oxford).

**OFFICERS PRESENT:** John Mitchell (Committee and Member Services Officer)

## **20. APOLOGIES**

Apologies were received from Councillor Thomas

## **21. WELCOME AND INTRODUCTIONS**

Cllr Ladbrooke welcomed those present and suggested that the guests take turns to introduce themselves and say a few words about their interest in and or response to the principle of a living wage, before opening up, on each occasion, for wider discussion.

## **22. EXTERNAL CONTRIBUTIONS AND DISCUSSION**

Mark Fransham said that poverty rates in Oxford were close to the national average alongside a very buoyant labour market and low unemployment. The

picture in the City was probably clouded to some extent by the very large student population. The inference is that 'in work' poverty is probably a significant issue (ie inability to get enough work). The costs of living in Oxford were widely recognised as being comparable in many respects to those in London so there was a powerful logic in the principle of at least an Oxford Living Wage (OLW).

Low pay does not, of itself, necessarily contribute to poverty. The number of hours that a person can work was significant, whether as a result of personal circumstances (eg having a caring responsibility) or a limitation by an employer. Support from advice centres was important as was the role of the Council in helping to secure a smooth transition for residents to Universal Credit.

Mark said that there was no reliable evidence to support the now often held contention that low paid workers were being forced out of the City. There was however evidence that high rental costs were causing people to leave, not least because those costs continued to increase while benefits remained the same and or decreased in real terms. One commentator had referred to this movement of people as 'social cleansing'.

Mark noted the need to consider whether, if the OLW was adopted, how, geographically, should it be applied.

Laura Valadez explained that the Centre for Research in Social Policy (CRSP) had developed a methodology for determining what was referred to as the Minimum Income Standard (MIS). It was an ongoing programme of research which sought to define what level of income is needed in order to reach a minimum socially acceptable standard living in the UK. The MIS informs calculation of the Real Living Wage (RLW). The methodology for determination of the MIS is built around case studies and a precise analysis of detailed research with groups of members of the public specifying what items need to be included in a minimum household budget. The results show how much households need to earn in order to achieve this disposable income. The analysis is conducted every other year with an inflation element added for the years between. The London Living Wage (LLW), based on the MIS, was being phased (to do so all at once would be 'too much too soon').

Laura said that the experience of a living wage in the USA was complicated to unravel because of the federal structure there. There was, however, some evidence that the introduction of a living wage had had a positive effect on the economy, resulting in, among other things, a reduction in the turnover of staff with improvements in pay.

Luke Marion said that the Oxford Bus Company (OBC) employed c. 600 people of whom c. 40 were bus drivers, paid well by industry standards (c. 27 - 30k) as well as c. 40 skilled engineers earning c.40k, some office staff and c. 25-30 contracted cleaners. Currently all OBC staff are paid well above the RLW but contracted cleaners and caterers are not. The relatively good pay for drivers and engineers meant that many commuted considerable distances to work in the City.

OBC's employees did not experience 'hours' poverty. A few employees were on zero hours contracts because it suited their personal circumstances.

He said the introduction of the RLW hadn't had a significant impact on the OBC although lessening the pay gap between drivers and other employees had resulted in some pressure from drivers to restore the differential. The introduction of the RLW had also meant that the company had had to outsource the catering function.

While OBC is RLW employer it is not officially certified as such. He said he would give serious thought to doing so, did not see any difficulty in acquiring certification but it would need to be done on a company group basis. If the OBC was to adopt the OLW, it would have to look carefully at the consequences of that and time would be needed to prepare for it and phase it in.

In discussion there was broad agreement that there would be benefits for employers which adopted either the RLW or the OLW in 'badging' the fact that they had done so. The benefits would be twofold, first promulgation of the schemes, secondly, many consumers would make positive buying decisions based on that knowledge.

Sue Merrell said that USDAW was the 5th largest union and represented the interests of those involved in retail and distribution. USDAW was looking for adoption of the RLW by all employers and not just for those aged 25 and above. Employers frequently spoke about a willingness to employ staff flexibly but this was often to the employers' rather than the employees' advantage. Of particular concern were the limited hours available to some employees. She gave the extreme example of a large employer which asked employees to sign contracts for 20 hour weeks alongside their signed agreement that they would not work elsewhere. The overall effect of the treatment of low paid shopworkers was lack of employee loyalty. There was a place for part time work but not for all. She agreed that publication of employers' accreditation would be valuable, not least as a means of 'shaming' others.

The imminent opening of the Westgate centre offered an opportunity to promote the importance of a living wage. Agreed that there would be merit in promoting the RLW by reference to those employers which embrace it (the names of which are available via the Living Wage Foundation website).

Cllr Ladbrooke cited the example of Cambridge which had recruited to a part time post dedicated to promoting the idea of a living wage. Sue agreed that there was merit in such a post. Cllr Ladbrooke asked if the City Council was to fund such a post, would USDAW consider contributing funding for it. Sue was supportive in principle but would have to ask. She thought other unions might share her view.

Richard Finn explained that as well as being involved with Blackfriars he was a governor of St Mary's University, Twickenham which paid the London Living Wage (LLW) to all its employees and had a policy of not outsourcing catering or cleaning. He acknowledged that this was an expensive option but the University

was clear that it was important to promote a positive culture and, despite its adoption, still had to be able to demonstrate value for money.

Turning to Blackfriars Priory, all employees are paid the OLW as minimum as are its contractors. Blackfriars Hall on the other hand, as part of the University pays its staff the RLW as a minimum. As a religious community and charity it is incumbent on the Priory and Hall to live as economically as possible and, therefore, purchase food, for example, as cheaply as possible. Decisions about where to purchase food would be informed by knowledge of suppliers' approaches to the living wage – if they were known.

Blackfriars welcomed several hundred worshipers over the course of a week. It was an audience which would welcome information about the living wage in its various guises and the organisations which adopt them. The more that can be done to badge employers the better.

Eric Bossward said there were strong ethical and moral imperatives for taking steps to encourage employers to adopt the use of a living wage. The impact of low wages on some members of the community was morally unacceptable. Low pay (and its consequences) are matters for the whole community and not just those in receipt of the low pay. The issue of limited hours was also one for the wider community to address.

He provided pen pictures of 4 parishioners who, through no fault of their own, found themselves in precarious financial/social/health/ family circumstances and for whom access to a living wage could make a real difference. One was of a man who had cared for his mother until her death, now cared for his brother (to whom he paid rent, as he could not afford to rent by any other means). He needs a car for his work but can only afford to buy cheap secondhand vehicles which tend to be unreliable. He has had no holiday for 30 years. He has considered pay day loans but has resisted so far. He used to play an instrument which has had to sell. His only treat is a season ticket for Oxford United which provides an important social outlet for him. He would like to be able to work 12 hour shifts but his employer is unable to provide that. He currently earns £8 per hour, an increase of just 50 p would make 'a tremendous difference'. Agreed that this and the other examples shone a helpful light on the immediate consequences of low pay.

The Church of England supports the principle of the RLW but it is for parishes to determine pay of those who it employs at a local level. Both Anglican and Catholic churches were able to promote the principle of the desirability of minimum living wages.

Cllr Iley-Williamson was organising a Living Wage Rally to be held on 6 November at 7.00pm in the Town Hall. This was not a Scrutiny Committee activity but any support for it from those present would be most welcome whether in the form attendance or messages of support or promotion.

Cllr Ladbroke concluded the meeting by thanking all those who had contributed to it. This was a matter that had been looked at on a number of occasions in the

past but little practical progress had been made. He was keen that the momentum provided by the review should not be lost.

### **23. CALL FOR EVIDENCE**

Agreed that the Bishop of Oxford, Steven Croft should be invited to a future meeting of the group.

### **24. NOTES OF PREVIOUS MEETING**

Agreed.

### **25. DATES OF FUTURE MEETINGS**

01 November 2017 5pm  
15 November 2017 5pm

**The meeting started at 2.00 pm and ended at 4.00 pm**