

# Why FM must advocate for a real and fair living wage

December 12, 2023



*Insight from CEO of Corps Security, Mike Bullock*

**As individuals and families across the UK continue to struggle against the cost-of-living crisis, many do not earn an income they can live on. This is where the Real Living Wage (RLW) comes in. Developed by the **Living Wage Foundation**, it accredits organisations who agree to pay a living wage reflective of the current economic climate.**

The wage has recently increased by 10% to reflect the living crisis, offering workers' an hourly base rate of £12.00 through the UK, and £13.15 in London. This is a lifeline for many, as **60% of those earning below the RLW** were forced to rely on food banks in the past year.

Currently, there are 460,000 workers employed by the 14,000 organisations that have signed up to pay the RLW. However, this still leaves many workers vulnerable in times of economic uncertainty: 3.5 million, or 12%, of the UK workforce currently earn below the RLW.

## **The importance (and challenge) of paying a fair wage**

The RLW is indispensable in addressing the inflated day-to-day costs faced by the nation during the cost-of-living crisis. Organisations must acknowledge their responsibility in providing wages that do not force employees to choose between eating or heating, it is as simple as that. Given the value of the profession, the onus is on employers to champion a fair and decent wage. Not only is it the right thing to do, but it will also help remedy the talent shortage that continues to plague the sector.

The Living Wage Foundation members include different types of employers; those who pay their staff directly, and those who are service providers that deliver client contracts and employ subcontracted staff. Our company falls into the latter category, meaning that we have a less straight set path to offering the RLW. For many service providers, especially those in FM, clients may push back against paying a higher wage due to their own financial pressures.

To address this, the Living Wage Foundation formed the steering group for **recognised service providers**, which I have co-chaired for two years. Major property and FM industry providers are part of the group, including CBRE, Compass Group, and JLL PAM. We come together to address and dispel the reservations of firms in the sector and offer guidance to those willing to embrace the RLW.

For Corps, this has meant that we have walked away from contracts that do not include the RLW. Since joining the foundation in 2019, we have made significant strides in rolling out the RLW across our team of support staff and security officers, currently standing at 98.7%, up from 33% four years ago. It is possible. The first step is committing to the cause.

### **The business case**

The reluctance of some organisations towards paying the RLW is often rooted in concerns about the long-term financial commitment that goes with it. However, the business case for implementing the RLW is robust. It can substantially reduce employee turnover, leading to cost savings in recruitment, improved security, and better client and colleague relations. The talent shortage in the security sector further emphasises the need for investment in technology and upskilling to create more appealing career pathways.

Corps' commitment to the RLW has resulted in securing more and better contracts. While offering the RLW as standard increases the cost base, the return on investment is evident. Well-run and profitable organisations with a commitment to fair compensation find themselves more attractive to talent in a challenging recruitment market.

In conclusion, the transformative journey towards RLW advocacy is a necessary step for FM firms to create a fair and sustainable work environment. Embracing fair compensation not only benefits employees but also proves to be a wise business decision, fostering long-term profitability and industry-wide positive change.