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Voluntary living wage rate increases to £9.00 an hour for UK staff

By **Katie Scott** 5th November 2018 10:47 am



The **voluntary living wage** rate has increased by 25p per hour, rising from £8.75 to £9.00 an hour for employees working across the UK, as announced by the Living Wage Foundation today (Monday 5 November 2018).

The London **living wage** rate, paid voluntarily by employers accredited by the Living Wage Foundation to staff working specifically in London, has also increased by 35p, rising from £10.20 to £10.55 an hour.

Tess Lanning, director at the Living Wage Foundation, said: “The living wage campaign is about tackling the rising problem of people [being] paid less than they need to live. Responsible businesses know that the government minimum is not enough to live on, and today’s new living wage rates will provide a boost for hundreds of thousands of [employees] throughout the UK.

“Employers that **pay** the real living wage enable their [staff] to live a life of dignity, supporting them to pay off debts and meet the pressures of rising bills. We want to see local councils, universities, football clubs, bus [organisations] and the other major public and private sector employers in every city commit to become real **living wage employers**. When they do, thousands of people get a **pay rise**, but other local employers also follow their lead. If more of these institutions step up, we can start to build true living wage places.”

The Living Wage Foundation estimates that today’s increases in the living wage rates could benefit at least 180,000 employees who work for businesses accredited by the Living Wage Foundation.

The living wage is an independently set hourly **rate of pay** that is calculated according to the basic costs of living. Employers **pay** the living wage rate, which is updated annually, on a voluntary basis. The higher London living **wage** reflects the increased living costs associated with residing in the capital.

The voluntary living wage is distinct from the statutory **national living wage**, which is paid to employees aged 25 and over. The national living wage rate is currently set at £7.83 an hour; this is due to increase to £8.21 an hour from April 2019, in line with the Autumn Budget 2018.

Javier Echave, chief financial officer at Heathrow, said: “Our [employees] are our most valued asset and deserve nothing less than the living **wage**. Today, we celebrate the anniversary of our living wage accreditation and call on more businesses to recognise that successful [organisations] are built on getting these foundations right and investing in their [employees].”

“Delivering an ambitious cost efficiency programme while making responsible decisions for our people is compatible. Embracing the living wage is not just about values, it’s about value. Fair pay drives **engagement**, higher **productivity** and better service to our passengers; a win-win solution [for] all. Later this year, Heathrow will be publishing a roadmap on how we will work with our directly engaged supply chain to ensure they also guarantee employees are paid the living wage by late 2020.”

In the last year, 1,200 organisations committed to being living wage employers, including Liverpool Football Club, the University of Bristol, Sheffield City Region and Aberystwyth University. In total, there are 1,500 London-based living wage employers and 4,700 organisations across the UK that have committed to paying permanent staff and third-party contractors the living wage. This includes businesses such as retailer Ikea, insurer Aviva, financial services organisation Nationwide and technology giant Google.

Marco Gentile, president EMEA at Burberry, said: “We are proud to be a living wage accredited employer in the UK. Paying the living wage is an investment in our employees and a **recognition** of the valuable contribution they make to our UK business, whether they are building a career at Burberry or working for one of our contractor partners. As a result, we know that our employees feel more supported, are more **motivated** and are proud to be a part of our team.”



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