

Birkbeck Governors, 18th March 2009

The London Living Wage: The Right Choice for Birkbeck

A paper by the representatives of Birkbeck Unison, UCU, UNITE and BCSU

What is the London Living Wage?

Where does the figure come from?

Endorsement from the Mayor

The Birkbeck Living Wage Campaign

Birkbeck's Mission and Widening Participation

What are the Current Pay and Conditions of Birkbeck Contract Staff?

The Options Presented to F&GP: Projected Costs of Implementing a Living Wage

ippr: Why £6.50 is not a Living Wage for Londoners

The Case for the GLA rate

Potential for Improved Service: Money Well-Spent

Positive Publicity and Social Responsibility

Conclusion

What is the London Living Wage?

The idea behind a living wage is that people who work in our community should be able to live decently and raise their families here. This requires a wage and benefits package that takes into account the area-specific cost of living, as well as the basic expenses involved in supporting a family.

The London Living Wage currently stands at *£7.45/hour plus benefits*, as announced in July 2008 by Mayor Boris Johnson. It is defined as 'the threshold at which people can live above the poverty level in London with a sufficient safety net to also provide for quality of life'.

Where does the wage figure come from?

The rate is independently determined and reviewed yearly by economists in the Living Wage Unit at the Greater London Authority.

The Unit publishes a yearly report with the new figure, as well as an endorsement from the mayor. The 2008 report is available at:

http://www.london.gov.uk/mayor/economic_unit/docs/living-wage-2008.pdf.

Endorsement from the Mayor

The current Conservative mayor, Boris Johnson, who did not support the Minimum Wage back in 1997, now makes the following statements about the Living wage:

'Being paid at least the London Living Wage... is designed to provide a minimum acceptable quality of life'

'Paying the London Living Wage is not only morally right, but makes good business sense too. What may appear to a company to be an unaffordable cost in a highly competitive market should more often be viewed as a sound investment decision. I believe that paying decent wages reduces staff turnover and produces a more motivated and productive workforce'¹

The Birkbeck Living Wage Campaign

Since Spring 2007, Birkbeck trade unionists and other staff and students have been campaigning for Birkbeck and the other Bloomsbury Colleges to adopt the London Living Wage in regard to all its agreements with private contractors.

We advocate for the implementation of the full London Living Wage package, under which all staff should also be eligible for:

- 10 days full sick pay
- 28 days paid holiday (including Bank Holidays)
- pension rights
- access to a recognised trade union.

Under the National Framework Agreement, the College took the decision to address low pay and not to use the lowest pay bands, so that following recent cost of living pay rises the

¹ *A Fairer London: The 2008 Living Wage in London, GLA Economics*

minimum pay for staff employed directly by Birkbeck (including London Allowance) is now £10.66 per hour. The lowest spine point on the scale, although it is not being used, is £8.76.

Directly-employed staff also enjoy a wide range of benefits – such as maternity and paternity, bereavement, and study leave – which are unavailable to contract staff.

We believe that these workers should be brought back in-house, job-evaluated and fitted onto the single pay spine, and have elsewhere outlined the strong case for this measure to be adopted at Birkbeck. However most urgently and centrally we feel that it is incumbent on the College to bring in the rate which is universally accepted as reflecting the minimum level of dignity for staff working in London.

Birkbeck's Mission and Widening Participation

Birkbeck is a prestigious institution with a world-class reputation for excellence in research and teaching. We note that two of Birkbeck's principal aims in its Mission Statement are to:

- Provide part-time higher education courses which meet the changing educational, cultural, personal and career needs of adults; in particular those who live or work in the London region.
- Enable adult students from diverse social and educational backgrounds to participate in our courses.

And a key supporting objective is to:

- Ensure the College provides an inclusive working and learning environment for its students and staff so that all may develop to their full potential.

As the one college within the University of London specifically focused on improving the job prospects of working students, Birkbeck has the opportunity to take the lead in extending these values, in the name of widening participation, to the mostly migrant workers on its premises who provide cleaning, portering and food services, by paying these workers a decent, dignified living wage.

Those of us who work and study at Birkbeck are proud of the College's mission and believe that all those employed on campus – including cleaners, catering staff, nighttime security, student workers, etc – should be paid a Living Wage rewarding hard work and providing enough income for families to live on in London above a recognised social minimum.

What are the Current Pay and Conditions of Birkbeck Contract Staff?

The terms and conditions of cleaners and catering staff at Birkbeck are the legal minima – their hourly pay is the National Minimum Wage (currently £5.73 for adults) and they receive minimum levels of paid holiday and sick pay entitlements.

Because the National Minimum Wage is a national rate and Central London is the most expensive part of the country, these staff have the lowest hourly wage in real terms of any legally employed adult workers in the UK.

Long hours and anxiety about finances can carry serious risks to workers' health and their ability to participate in any kind of social life. It also gives them little time to spend with their children, with consequences for children's education and well-being. And these workers will experience the sharpest end of the economic downturn.

The cleaning and catering staff at Birkbeck are mainly migrant workers, many of whom are highly skilled, but due to personal circumstances have ended up in low-paid, low-skilled jobs here in the UK.

The Options Presented to F&GP: Projected Costs of Implementing a Living Wage

At the Finance and General Purposes (F&GP) Committee meeting on 4th March 2009, the College Secretary and Facilities Manager presented a paper regarding "Options in Relation to the London Living Wage." (Report attached as Appendix 1).

They estimated that the cost of paying the GLA London Living Wage of £7.45 to Birkbeck's cleaning and catering staff would amount to a total £117,000 for a full year.

The paper to F&GP also quoted costs for an alternate pay rate of £6.50, a figure proposed for a *minimum* wage in London by the Institute for Public Policy Research (ippr) in September 2007. The estimated cost for paying this rate to cleaners and catering staff amounted to £44,000 for one year.

At first consideration, if looked at solely on the basis of costs, those responsible for the financial health of Birkbeck would be likely to see the £6.50 rate as a less costly way out of a moral dilemma. However, the Living Wage Campaign does not accept this £6.50 figure as a true "living wage."

We ask you to consider that £117,000 would be distributed amongst approximately 69 part-time cleaning and 23 part-time catering staff, while the total is less than half the salary of the one highest-paid staff member in Birkbeck, and only 0.153% of Birkbeck's annual expenditure for 2007/8.

ippr: Why £6.50 is not a Living Wage for Londoners

In September 2007, the Institute for Public Policy Research (ippr) proposed a higher *minimum wage* for Londoners. This was because ippr's research, carried out using earnings data from April 2006, showed that the gap between the lowest paid workers and average workers in the capital was wider than anywhere else in the country.

ippr recommended that the government ask the Low Pay Commission to investigate an appropriate minimum wage level for London. ippr proposed a rate of around £6.50 an hour.

It is important to stress that this was a recommendation for the *National Minimum Wage*, which is a legal wage floor designed to avoid the exploitation of the lowest paid workers. A legal minimum wage is entirely separate from a '*living wage*', such as the London Living Wage. A 'living wage' aims to ensure that working people earn enough to avoid poverty.

As a spokesperson for ippr confirmed, "ippr does not believe their proposals for a higher London *minimum wage* should be used to undermine the case for employers to pay their London staff the London Living Wage."

ippr is a Living Wage Employer as certified by the London Citizens Living Wage Campaign. As such, ippr recognises the responsibility it has for all the people it employs (directly or indirectly) and makes sure they are paid the London Living Wage and receive fair employment conditions. ippr supports the work of the Fair Pay Network, London Citizens and others to campaign for workers to be paid the London Living Wage.

The above proposal was put forward in Sept 2007, some 18 months ago – well before the current economic crisis had hit and we saw the skyrocketing prices which are particularly devastating for the low-paid. The London Living Wage has been increased since then, and will be again soon.

The GLA Economics Living Wage Unit cite £6.50 as the “poverty threshold wage” for 2008. This figure is the average of two common methods of calculating the poverty level (see Appendix 2). Staff who are paid £6.50 will constantly be on the brink of poverty, and any unforeseen expenses could easily put them back into poverty.

The Case for the GLA rate

Although we recognise that there is bound to be some dispute over what is or is not a socially acceptable minimum, we think there are compelling reasons to adhere to the Living Wage as determined by the GLA.

- According to the GLA Economics report referenced above: “The £6.50 figure...is a poverty threshold wage. The second stage is to calculate the London Living Wage. A Living Wage must yield a secure margin ensuring that the person involved does not fall to the level of poverty wages because of unforeseen events. To achieve this, 15 per cent is added to the poverty threshold wage. This yields a figure, when rounded to the nearest five pence, of £7.45 per hour as a Living Wage for London.”
- Individual determination of a living wage leaves open the possibility for abuse and downward pressure on terms and conditions. Those employed on campus would lose the protection of having a Living Wage determined by an accountable and publicly elected authority.
- There would be a continued risk of failing to avoid the negative publicity surrounding the accusation that its cleaners are exploited.
- Paying wages that are above the national minimum but below the Living Wage will mean Birkbeck will not enjoy credible public accreditation as a Living Wage Campus.

For these reasons the best policy in the view of the Campaign is to accept the guidelines issued by the GLA.

Potential for Improved Service: Money Well-Spent

Adoption of the Living Wage will cost money that could have been spent on other things, but we believe that spending part of Birkbeck’s revenue to help create more stable, reliable cleaning and catering services, and to gain public accreditation as a Living Wage Campus, would be money well-spent.

Experience has shown that the increase in costs is less than might be first thought, because paying higher wages reduces turnover and absenteeism costs and makes workers more motivated to keep their job.

Queen Mary, University of London, where cleaners were brought back in-house in early 2008, found that, "In reality, the introduction of the 'living wage' has not been the big drain on resources predicted by its opponents: the in-house cleaning service came in only slightly more expensive than that provided by sub-contractors - including start-up costs. When looked at over a two-year period the expected budget for 2008/9 is almost identical to the expenditure spent on contract cleaners in 2006/7." (See Appendix 3)

Other employers who have implemented the GLA Living Wage - for instance, some financial institutions at Canary Wharf - have also reported that they experienced better retention of staff and improved service as a result. (see Appendix 4).

Some might argue that in this economic climate, that the College's priorities ought to be to maintain its current service provision and that anything more than maintaining the status quo is simply not possible. Birkbeck, however, has taken exactly the opposite approach, in its adoption of the principles of the Strategic Review.

The College is currently undertaking a restructure in order to "create the capacity to deliver new opportunities for teaching and learning."² One of the objectives of the restructure is to create a "seamless, one-stop student experience from the first moment that a potential student sees a poster on the tube to the moment that they graduate."

In the new Birkbeck Student Centre, catering staff in the Costa Coffee bar will be based front-of-house, alongside the Attendants, Library staff and the Student Experience Team. Catering and cleaning staff develop their own knowledge of the college as a result of working here everyday, and the regular, stable presence of these staff is another way in which the college is represented to students and potential students. These workers will be integral to the student experience, as therefore should be treated as such.

Positive Publicity and Social Responsibility

The potential for positive publicity generation in national and local media and press is significant if Birkbeck were to gain the status of a Living Wage Campus, as has been achieved by Queen Mary University, the London School of Economics, and SOAS.

The Living Wage Campaign enjoys wide support among students and staff within Birkbeck, as well as in the wider community. Our students represent many London workplaces – both public and private sector. Any positive actions taken by Birkbeck become positive examples that are taken back to those employers.

On the other hand, the longer that Birkbeck continues to wash its hands of the conditions faced by its contract staff, the more the potential for negative publicity to make its way through those networks. (For example, see Appendix 5 – "Ken Loach accuses college of 'paying poverty wages'," Camden New Journal, 8th January 2009.)

² Birkbeck Strategic Review website, "Introduction from the Master": <http://www.bbk.ac.uk/strategic-review/about-the-strategic-review/introduction/>.

Conclusion

Some might argue that the College is not responsible for the above-described state of affairs, that the terms and conditions of the Birkbeck cleaners or catering staff is the responsibility of the contractors. But the terms and conditions these workers receive is the direct result of the way in which Birkbeck's tendering process operates. Many staff and students believe the College management does have a responsibility and, moreover, it is a practice that is in its power to stop.

Birkbeck has an excellent reputation for its teaching and research in areas of social responsibility. Indeed the College advocate that individual members of the Birkbeck community recycle, cycle to work, purchase fair trade products, and treat one another with dignity and respect. We take measures to limit our collective impact on the environment by 'greening' the College. Shouldn't being responsible as citizens and as an institution extend to looking after the conditions of the very people who make sure we have a safe, healthy environment in which to work, study and teach?

Adopting the GLA's Living Wage package could satisfy the demands of the Birkbeck Living Wage Campaign by lifting nearly 90 staff members above poverty wages, raising morale, and producing improved services for all. The move to adopt the £7.45 figure and become a Living Wage Employer would be in the College's best traditions, and represents the right choice for Birkbeck.

We therefore call upon Birkbeck Governors to reject the F&GP's recommendation to pay £6.50 to contract staff, in favour of voting for this recommendation to implement the full GLA London Living Wage with respect to all its agreements with private contractors.

Naomi Bain, Chair, Birkbeck UNISON

Julia Rapkin, International Officer, Birkbeck UNISON

Steve Hirons, Chair, Birkbeck UNITE

Rebecca Gumbrell-McCormick, Joint President, Birkbeck University and College Union

Tami Peterson, Birkbeck Students Union Executive & Trustee Chair and Student Governor

Rob Park, Birkbeck Students Union Caring and Responsibilities Officer and Student Governor

Finance and General Purposes Committee 4 March 2009

Options in relation to the London Living Wage

A paper by the College Secretary and the Facilities Manager

Following discussion at the last Governors' meeting and previously at Finance and General Purposes Committee, the College committed to review the position and potential options in relation to the London Living Wage in the Spring term in the light of further negotiations with its contractors. The previous discussions highlighted various responses to the issue in the Bloomsbury Colleges Group, with the Institute of Education opting for a rate of £6.50 linked to work done the LLW done by the Institute of Public Policy Research, SOAS opting for the GLA rate of £7.45 and other making no move at this point.

In the light of this options and costs have been presented for the two rates.

The current annual charge for core cleaning for 2008/9 on the basis of the current contract is £K476. The current annual labour budget for catering services is £K377. Prior to detailed negotiations the anticipated additional costs involved for the £7.45 option were £K200.

Cleaning Services

Following negotiations with the contractor on options in terms of changed specification and model of service delivery the additional cost would be as follows:

At the £6.50 Institute of Public Policy Research (IPPR) Rate:

£K20 for a full year; **£K7** for the remainder of this budget year from the 1st April.

At the £7.45 Rate:

£K65 for a full year; **£K22** for the remainder of this budget year from the 1st April.

Catering Services

The current annual labour budget for catering services is £K377. The catering assistants are paid £ 6.00 per hour. The additional costs involved are as follows:

At the £6.50 Rate:

£K24 for the full year; **£K8** for remainder of this budget year from the 1st April.

At the £7.45 Rate:

£K52 for the full year; **£K17** for remainder of this budget year from the 1st April.

The College operates a profit share arrangement with its catering contractor, currently 75% to Birkbeck, 25% to the contractor. Under current arrangements this would effectively mean sharing the financial impact in this proportion. However, this is still the subject of

negotiation. Other options exist to reduce the cost impact through changes to the service in terms of opening time and the recovery of costs through price increases. Some further work is still needed on these options, together with a broader dialogue in the College.

As the profit share is a contractual issue this would have to be agreed with Sodexo prior to implementation.

The Committee is asked to note the foregoing paper and consider what stance the College should take to the LLW issue at this point.

Appendix 2

Calculation of the Poverty Threshold Wage and the London Living Wage³

“The Living Wage is defined by the Family Budget Unit as, ‘a wage that achieves an adequate level of warmth and shelter, a healthy palatable diet, social integration and avoidance of chronic stress for earners and their dependents.’ A Living Wage in London has been calculated in two stages. Firstly, a ‘poverty threshold wage’ has been calculated. This has been done using...two methods. The Basic Living Costs approach yields a figure of £6.25 per hour for London. The level defined by the Income Distribution approach takes 60 per cent of median income as defining a poverty threshold wage – for London this yields a figure of £6.70. The poverty threshold wage used in this report is the average of the two figures, rounded to the nearest 5p, which is £6.50.

“The £6.50 figure, however, is a poverty threshold wage. The second stage is to calculate the London Living Wage. A Living Wage must yield a secure margin ensuring that the person involved does not fall to the level of poverty wages because of unforeseen events. To achieve this, 15 per cent is added to the poverty threshold wage. This yields a figure, when rounded to the nearest five pence, of £7.45 per hour as a Living Wage for London.

“If means-tested benefits were not taken into account (that is, not including tax credits, housing benefits or council tax benefits) the equivalent Living Wage figure would be approximately £9.60 per hour. This report, however, considers that in work benefits and tax credits must be taken into account, as part of the aim of the tax and benefit system is to redistribute income to the least well off sections of society while not providing disincentives to securing employment. Hence the figure put forward for a Living Wage in London is therefore £7.45 per hour.”

³ GLA Economics Living Wage Unit, *A Fairer London: The 2008 Living Wage in London*, July 2008, pp. 6-7.

Monday, 16 March 2009

Clean living: new report shows economic and ethical benefits to paying cleaning staff 'living wage' at Queen Mary

Exactly one year ago Queen Mary, University of London took unprecedented steps to bring the majority of its cleaning in-house, and pay those cleaners the 'living wage' – a salary that affords a better standard of living in the capital.

To mark the one-year anniversary of this ethical move, which bucks the global trend of outsourcing such services to contractors, a detailed report is being published by Queen Mary on 19 January, documenting the impact of the 'living wage' on cleaning staff, service quality and the College as a whole.

'The business case for the living wage: the story of the cleaning service at Queen Mary' showcases the findings of a two-month study (October to November 2008) involving an online questionnaire completed by 292 staff members from across the College's four campuses.

Also part of the research: a face-to-face interview survey with 73 cleaning staff (59 of whom had transferred from a contractor); additional interviews with 11 respondents and in-depth interviews with four managers in the Estates Department and the Chief Administrative Officer at Queen Mary.

Results showed the majority (71 per cent) of Queen Mary employees surveyed endorsed the decision on the grounds of social justice and expectations of further improvements in cleaning standards. Just four people (1 per cent of respondents) opposed the decision to bring the service in-house, primarily, on the grounds of cost.

In reality, the introduction of the 'living wage' has not been the big drain on resources predicted by its opponents: the in-house cleaning service came in only slightly more expensive than that provided by sub-contractors - including start-up costs. When looked at over a two-year period the expected budget for 2008/9 is almost identical to the expenditure spent on contract cleaners in 2006/7.

The surveyed cleaners were very positive about their new jobs at Queen Mary; citing improvement in pay and benefits, as well as better supervision, working hours and opportunities for career development as College employees. Some 89 per cent of cleaners who transferred from contractors rated the College a better employer. As many as 96 per cent said they liked their permanent job and 100 per cent enjoyed working for Queen Mary.

When asked what had changed about the nature of their work since shifting from sub-contracted employment, the most popular responses from cleaners were that they now worked more productively (68 per cent), with more supervision (63 per cent) and completed a broader range of tasks (61 per cent).

James Gurley is one cleaner who made the switch to Queen Mary's in-house team in 2007, after six years with the contractor. Now a lead supervisor for 12 cleaners, he is pleased with how things have worked out.

"The money here has made a big difference; I was always struggling before as the contractor only paid minimum wage. We were missing out on other benefits too like sick pay, which made life really tough.

“Overall I’m very happy to be working for the College: we have more variety in our work and training on health and safety and other things to help us do the job, something we that didn’t get before the move.

“The College is also getting a better service, and I’ve noticed staff are appreciating what we do more; I even got a Christmas card thanking me this year – that’s never happened before,” said James, who lives in the Limehouse area of Tower Hamlets.

Introducing the ‘living wage’ has also enhanced the reputation of the College as a good employer among the wider workforce and the community beyond. This became self-evident in May 2008, when the College held an open day to expand its cleaning team. The event generated an overwhelming response, and despite only limited adverts on internet site gumtree.com, around 300 people attended.

Project lead, Professor Jane Wills of Queen Mary’s Department of Geography, believes the research shows that there are clear economic and ethical benefits to being corporately responsible and offering the ‘living wage’.

“Helping to alleviate poverty is important for Queen Mary: our institution is based in the east end of London, a deprived area; and many of our cleaners live locally, so offering them better pay and a good experience of the institution has a positive impact on their lives and our standing in the local community.

“It’s a stance that also makes good business sense: investing in training and offering better pay and working conditions improves productivity, standards, staff loyalty, performance and turnover without affecting cost – it’s a ‘win-win’ situation for all concerned.”

Neil Jameson of London Citizens, which is part of the Citizen Organising Foundation (COF), has praised Queen Mary, saying: “LONDON CITIZENS applauds the College’s pioneering example of both paying a ‘living wage’ and deciding to offer their workers the dignity which often goes with being employed in-house.

“We hope that other London organisations will study this report and consider following Queen Mary’s example by working with LONDON CITIZENS to ensure that their lowest paid staff are given a ‘living wage’ and the respect that goes with it.”

Ends

A PDF version of the full report entitled *‘The business case for the living wage: the story of the cleaning service at Queen Mary’* can be downloaded from:

<http://www.geog.qmul.ac.uk/staff/willsj.html>

Community coalition LONDON CITIZENS first launched the campaign for low-salaried workers in the capital to receive a ‘living wage’ in 2001; a rate that tends to be £1.50 above the National Minimum Wage. Estimates suggest that in excess of 6,000 workers have secured wage increases as a direct result of the campaign, putting more than £30 million into the pockets of poorly paid Londoners.

Queen Mary first became involved in the ‘living wage’ campaign in the autumn of 2005 when academic staff at the College conducted a project with LONDON CITIZENS to map the role and experiences of low paid workers in London. It was during this study period that Queen Mary cleaners – then in roles that had been outsourced for at least eight years - were first interviewed and their predicament highlighted.

For more information, please contact:

Emma Lowry
Communications Officer
Queen Mary, University of London
0207 8825378
07817 989532
e.lowry@qmul.ac.uk

Appendix 4

Benefits to Employers

In 2004, Barclays Bank, set a specification for its cleaning contract with Rentokil Initial that provided the cleaners moving to Barclays' new headquarters at Canary Wharf with an hourly rate of £6.00 and 28 days holiday. The new pay and benefits package included pension contributions, sick pay, bonuses, an increased holiday entitlement, access to a trade union and training to an industry recognised standard. The deal set a precedent for other employers in Canary Wharf as it accepted responsibility for establishing minimum pay and conditions for cleaners employed by a private contractor.⁴

"When we set up the deal we wanted to ensure that we could recruit and retain quality people, in the same way that we try to do with directly employed staff," John Cotton, Barclays' Canary Wharf programme director explained at the time.⁵

"Clearly there are some cost consequences of what we've done but they for us are completely commercially viable because they provide us with a quality of employee and a commitment of employee which we believe will actually give us a better cleaned building."⁶ The new policy resulted in a dramatic drop in absenteeism and turnover, from 30% to 4%, along with rising performance and customer satisfaction levels⁷.

In 2006 Barclays announced that it would roll out this 'fair wage' package across its 2000-strong UK branch network, and the company pledged to pay all of its 1000 cleaning, catering and post room staff across London £7.50 an hour (30p above the London Living Wage at the time) indexed linked to rise each January. The suppliers involved in the deal include Mitie, Lancaster, Initial, Mail Source, Restaurant Associates, Ararmark, Bannatyne's and Baxter Storey. Facilities management director Jon Couret said: "Although these employees are not directly employed by Barclays, we have a responsibility to ensure they receive a fair, well-rounded remuneration package, and this deal delivers that."⁸

Like Barclays, KPMG found that its turnover rate was halved after it introduced a living wage policy for all of its in-house and contract staff. "No one abused the new sick pay scheme, said Head of Corporate Services Guy Stallard, and absenteeism is very low. We get the benefit of reduced training costs and staff continuity. It is a much more motivated workforce."⁹

⁴ IDS Pay Report, 960 July 2007

⁵ It's time rich City firms cleaned up their act, The Guardian, 7 May 2005

⁶ Nice Work, BBC, 22 March 2005.

⁷ Confirmed by Barclay's Press Office, 14 March 2008

⁸ Barclays Press releases 24 April, 2006

<http://www.newsroom.barclays.co.uk/Content/Detail.asp?ReleaseID=639&NewsAreaID=2> and 18 June 2007 <http://www.newsroom.barclays.com/Content/Detail.asp?ReleaseID=1102&NewsAreaID=2> Barclays has continued to raise its London Living Wage rates ahead of increases set by the GLA.

⁹ Meeting with KPMG, 14 March 2007

Appendix 5 - Camden New Journal article

Ken Loach accuses college of 'paying poverty wages'

Payments to Birkbeck cleaners fall well below 'Living Wage'

EDUCATION - by TOM FOOT , Published: 8 January 2009



Ken Loach

FILMMAKER Ken Loach has accused a leading university in Bloomsbury of “colluding” in the payment of poverty wages.

The director and champion of the poor – whose films include *Kes* and *Cathy Come Home* – has written to Birkbeck College, part of the University College London, in support of a campaign by the union Unison for fair pay.

His intervention follows the college’s refusal to pay cleaners more than the minimum wage, despite many universities bringing cleaners’ pay in line with London prices.

In a letter to Professor David Latchman, Master of Birkbeck, Mr Loach wrote: “We all know that it is impossible to live decently in London on the minimum wage of £5.73 per hour.

“I am sure you would agree that we should not expect others to work in conditions and for an income that we would probably find intolerable. Further, I would hope that those within the college who are charged with the task of ensuring that these services are properly carried out would re-think the issue if contracting out.

“Wouldn’t it be better for colleges and universities to provide the services in-house? Then you could be confident that no one would be unfairly exploited.

“As it is, you find that the college is getting a bad name for colluding in the payment of poverty wages.”

Birkbeck Unison have voted to launch a “Living Wage” campaign for all staff at the college. The Living Wage is a figure that recognises the huge cost to workers living in London.

Mayor Boris Johnson set the London Living Wage (LLW) at £7.45 per hour in June 2008 – 35 per cent more than the minimum wage paid to cleaners at Birkbeck.

A Unison spokeswoman said many London universities had adopted the London Living Wage including the School of Oriental and African Studies, which has ditched Ocean the firm contracted by Birkbeck for cleaning staff.

Keith Harrison, Birkbeck’s College Secretary, blamed government cuts for the low pay of cleaners at the college.

He said: “In the discussions the college has had on this matter with its trade union representatives and other interested parties the college has recognised, and expressed sympathy for the issues of the LLW campaign but has also had to balance this with the very significant financial constraints that the college will face in the next two to three years.

“These are linked to the withdrawal of Equivalent Lower Qualifications student funding which equates to some 38 per cent of our higher education teaching income.”