



Asset, property and facilities managers are all likely to have an interest in the Living Wage, and how this can be adopted directly, and within their supply chains. Property managers may consider whether the Living Wage could be adopted at a particular property, or across a portfolio, as part of an asset managers approach to generating social value.

Adopting the Living Wage should involve considering the following elements:



1. ASSESSING THE VIABILITY OF PAYING A LIVING WAGE

Securing the commitment to adopt the Living Wage should be based on an assessment of the business case and consideration of the associated benefits and costs. A property manager should consider:

- Is there an instruction from an asset manager to adopt a Living Wage, or has an asset manager indicated a preference for this within its own policies or corporate literature?
- Is there a commitment within the property manager's company to promote the Living Wage?
- Have the financial implications been assessed, including the impact on service charges and other costs, and reviewed with asset managers and occupiers?
- Is there scope to support the wage increase without compromising other elements of the services provided?

When considering the business case, short and long-term goals associated with the property should be considered. For example, whether the asset manager or occupiers have social value objectives, such as tackling poverty and supporting human rights. This may be indicated through public support of the [United Nations Sustainable Development Goals](#), particularly Goal 1 'No poverty'.

Reviewing the Living Wage Foundation's evidence of [UK Business Case](#) will provide information to support the case for the introduction of the Living Wage.

2. PROCURING LIVING WAGE-CERTIFIED SERVICES

Purchasing organisations can play an important role in addressing social inequalities and helping to create a more equitable and inclusive society. Promoting living wage positively impacts the economy and stimulates responsible economic growth by promoting consumer spending, aiding job creation, reducing employee turnover, enhancing productivity and supporting SMEs.

In procuring onsite services, property and facilities Managers should focus on those areas most impacted by low wage issues. These often include cleaning, security, catering and landscaping sectors. Individuals working in these sectors will often be employed via an agency.

Property and facilities managers should determine whether the Living Wage will apply to new tenders only, or whether there is scope to also incorporate the Living Wage into existing contracts, which may be the case for construction and portfolio tenders. If retrospective inclusion is not agreeable, existing partners should still be informed of the broader intention.

A Living Wage contract clause should be drafted, with input through consultations with main contractors and relevant trade unions or representative bodies.

Property and facilities managers should check that companies within their supply chain that are advertising themselves as adopting the Living Wage can demonstrate this through having appropriate procedures in place themselves. These may include, for example:

- How contractors pay rates are recorded.
- Ability to produce authentic and in-date certification documentation.

Challenges and Considerations

There are challenges associated with making a commitment to pay the Living Wage. A range of factors should be considered as part of the decision-making process. Examples of these include:

- What is the impact of a Living Wage on maintaining pay differentials and grades throughout the organisation?
- How can affordable employment opportunities for lower skilled employees be maintained?
- What safeguards could be introduced in case of future transfer of contracts or businesses activities to other suppliers or companies?
- Is there a risk that increased wages for some employees, in line with the living wage, could leading to others either losing their jobs or not being recruited in the first place?

3. ONGOING MONITORING

It is important to monitor the ongoing implementation of the Living Wage within the supply chain.

The approach to monitoring can include annual assurances, which can be requested by a property or facilities manager to ensure that the supplier is keeping up-to-date with the current Living Wage, if they have committed to doing so.

Property and facilities managers can also ensure that there is internal site signage and communications highlighting the Living Wage status to encourage awareness, openness and transparency. Any concerns regarding these commitments not being upheld can be shared with main contractors, via union site representatives where appropriate, or site whistleblowing mechanisms.