

# Contents

<b>Executive Summary</b>	<b>2</b>
Churches	2
Christian Organisations	2
Schools	2
<b>Introduction</b>	<b>3</b>
A Living Wage?	3
<b>Poverty and low pay 3</b>	
The Churches teaching: The need to pay a just wage	3
Prophetic theology: Neighbourly solidarity	4
<b>Findings: The Churches</b>	<b>5</b>
Pay	5
Conditions	6
Analysis	6
Case study: St Agnes	6
Lack of employment rights	7
Good practice	7
Case study: United People’s Church, Moss Side	7
<b>Findings: Christian Organisations</b>	<b>8</b>
Pay	8
Case Study	8
Conditions	9
Analysis	9
Case Study: Connexions in Community	10
<b>Findings: Schools</b>	<b>11</b>
Pay	11
Analysis	11
<b>Conclusion</b>	<b>12</b>
Taking the Gospel seriously	12
The Church as employer	12
Church schools leading the way?	12
Appendix 1: Frequently Asked Questions	13
Appendix 2: Methodology and Limitations	14
Appendix 3: Survey Questionnaire	15

# A Living Wage Church?

## Executive Summary

**Church Action on Poverty believes that the churches should be a key force in the struggle for a living wage for all. Whilst the National Minimum Wage is welcome, it falls significantly short of a Living Wage, which would enable people to enjoy a low cost but acceptable standard of living.**

CAP believes that the National Minimum Wage should be increased from its current £4.10 (£4.20 from 1 October 2002) to £5.80. It has produced this report to assess the extent to which Christians need to look at their own institutions and ask whether they themselves are paying a Living Wage.

This report is based on a survey of over 200 churches, christian organisations and church schools within Greater Manchester, carried out by CAP research assistant Steven Cann, between March and May 2002.

It clearly demonstrates both that the Church and Christian organisations are significant employers in Greater Manchester, and that in the majority of cases, they have a long way to go before they can claim to be Living Wage employers.

### Churches

- ♦ 190 churches were contacted from the Catholic, Church of England, Baptist, URC and Methodist denominations.
- ♦ From these results it was estimated that 850 people are employed in Greater Manchester churches, excluding clergy
- ♦ Nearly 2 in 3 are paid less than a Living Wage (£5.80)
- ♦ Only 4 in 7 had a written contract.
- ♦ Only 1 in 5 churches had an equal opportunities policy or disciplinary/grievance procedure.
- ♦ The average cost of ensuring a Living Wage would be £13 a week per church.

### Christian Organisations

- ♦ Approximately 1400 people work for Christian organisations in Greater Manchester.
- ♦ 25 organisations completed a questionnaire, employing a total of 629 employees.
- ♦ The four largest were unable to give detailed pay information due to time constraints but did contribute to the rest of the questionnaire.
- ♦ For the 21 others, employing 145 people, 57% were earning less than a Living Wage.
- ♦ For the 15 smallest organisations, with fewer than 9 employees, the figure was 48%.
- ♦ However, 9 out of 10 employees had a written contract.
- ♦ Half received pension contributions and paid leave averaged 4 weeks a year.
- ♦ 83% of organisations had a disciplinary/grievance procedure but only half had an equal opportunities policy.

### Schools

- ♦ Average pay rates for non-teaching staff were researched from a number of sources.
- ♦ Staffing levels at the average primary and secondary school were deduced from a sample of 20 schools and led to an estimate of 7,850 employees of church schools in Greater Manchester being paid less than a Living Wage (out of about 20,000 low wage employees in Greater Manchester schools altogether).
- ♦ All employees should have a written contract, mostly permanent.
- ♦ Paid leave is usually 22 days for low paid staff, rising to 27 after five years.
- ♦ All LEAs have an equal opportunities policy and disciplinary/grievance procedure.
- ♦ The cost of ensuring that staff in all schools (not just church ones) are paid at least £5.80 is estimated to be around £6,500 per primary school or £7,500 per secondary school.

# Introduction

## A Living Wage?

Church Action on Poverty is campaigning for an increase in the National Minimum Wage from its current £4.10 to a living wage of £5.80. The advent of the National Minimum Wage in 1998 was welcomed by us and is estimated to have affected 1.3 million low paid workers across the UK. Welcome as it is though, someone living on £4.10 an hour is still very much in poverty. Even with the benefit of the Working Families Tax Credit, people are still earning less than they need to ensure a decent standard of living. The Government's determination to get people out of poverty through forcing people to take jobs is therefore fatally flawed until the National Minimum Wage is raised to something approaching a Living Wage.

In many respects the arguments for raising the level of the minimum wage to that of a Living Wage are the same as those supporting its introduction. The Chairman of the Low Pay Commission, a former director of the Confederation of British Industry (CBI) was recently quoted as saying that he "couldn't possibly envisage" living on £4.10 an hour, and that society needed a "basic floor" on wages to ensure that people were not living in poverty. Those people on low wages are engaged in a constant battle for survival which can lead to debt, stress, drug and alcohol abuse, family breakdown and social exclusion. Unexpected bills which most of us could cope with at a push, may lead to a cycle of debt and financial exclusion as people are forced to take out high interest loans from loan sharks or unscrupulous credit providers, charging rates way in excess of the mainstream banks. Even where people's basic needs are met, the lack of disposable income can mean social isolation, where people are unable to afford to go on holiday, to go to the cinema, to take the children for days out, to buy a round in the pub; things which many of us take for granted. Indeed for many of us, these are the things which make life worth living. Most of us could cope if we had to do without for a short time but what if this was our permanent situation? What if 'the odd treat' meant going without or getting into debt?

## Poverty and low pay

Over 10 million adults are defined as living on a low income in the UK. This is based on an estimate of those living on less than £8,900 per annum; half the national average income. These include disproportionately high numbers of children, pensioners and lone parents, some of the most vulnerable groups in our society. Two thirds of lone parent households are below 60% of median income while almost a quarter are below 40%. Low wage occupations include hairdressing, catering, cleaning, security work, shop assistants, driving and care work; all important jobs but consistently undervalued.

While company directors compete to award themselves the biggest pay rise, the poor struggle to earn enough to maintain a decent standard of living. Despite the government rhetoric, the gap between those on low incomes and the rest of society appears to be increasing as the incomes of poorer households fail to keep up with those on higher earnings. Even with the advent of measures such as the Working Families Tax Credit, many still find themselves living on an income which prevents them from living life to the full. It is for this reason that we are calling for an increase in the National Minimum Wage to £5.80. (A full explanation of how we reached this figure can be seen in Appendix A).

## The Churches teaching: The need to pay a just wage

Church Action on Poverty (CAP) believes that the churches should be at the forefront of the move towards an increased minimum wage. Central to the churches' teaching is the idea that each person is intrinsically worthwhile in the eyes of God, no matter who they are or what they have done. In the words of the late Cardinal Hume, *'each individual has a value that can never be lost and must never be ignored'*. Similarly, 'The Common Good', a statement by the Catholic Bishops' Conference of England and Wales, notes that, *'scripture tells us we will be judged by our response to the "least of*

these”’. It goes on to comment that, ‘employers... have a duty to pay a just wage, the level of which should take account of the needs of the individual and not just his or her value on the so-called labour market ... Employers who pay only the level of wage that the labour market demands, however low, are avoiding their moral responsibilities for the welfare of their employees’.

A more recent publication by Churches Together in Britain and Ireland (CTBI) reiterates this point, commenting that, ‘in a wealthy society like ours it is scandalous that some people in full-time employment should be living close to the margin of subsistence’. Those on low incomes are prevented from being all that God wants them to be for no better reason than the reluctance of the rich to share the abundant wealth of the UK’s economy. At issue therefore, is a fundamental question over whether or not we value the people that look after our elderly, our children, our churches, and our offices. These are the people that keep our society going and yet we don’t see fit to pay them a decent wage for their troubles. We should by all means make the economic argument for paying them a Living Wage but the bottom line is that we should do it because it is morally right.

### **Prophetic theology: Neighbourly solidarity**

A recent article by Walter Brueggemann on the living wage concurs. ‘The Exodus narrative, the Mosaic legislation, and the prophetic poetry are all agreed. The rich are not autonomous, but are under divine mandate to act in solidarity with the poor’. He goes on to comment that, ‘a fair, living wage is precisely the vehicle through which a) we express a deep theological conviction about God’s will for the neighbour, b) we enact neighbourly solidarity that cannot be denied, c) the advantaged are sheltered from the destructive consequences of acquisitiveness’.

It is clearly difficult for Christians to be calling for an increase in the National Minimum Wage without first ensuring that employees of Christian bodies are also paid a Living Wage. This survey looks at a sample of churches, Christian organisations and church schools from across the ten Greater Manchester Local

Authorities. Together they form a picture of the churches as employers. Our primary focus has been on pay but basic questions on areas such as the existence of a written contract were also included. The full questionnaire can be seen in Appendix C.

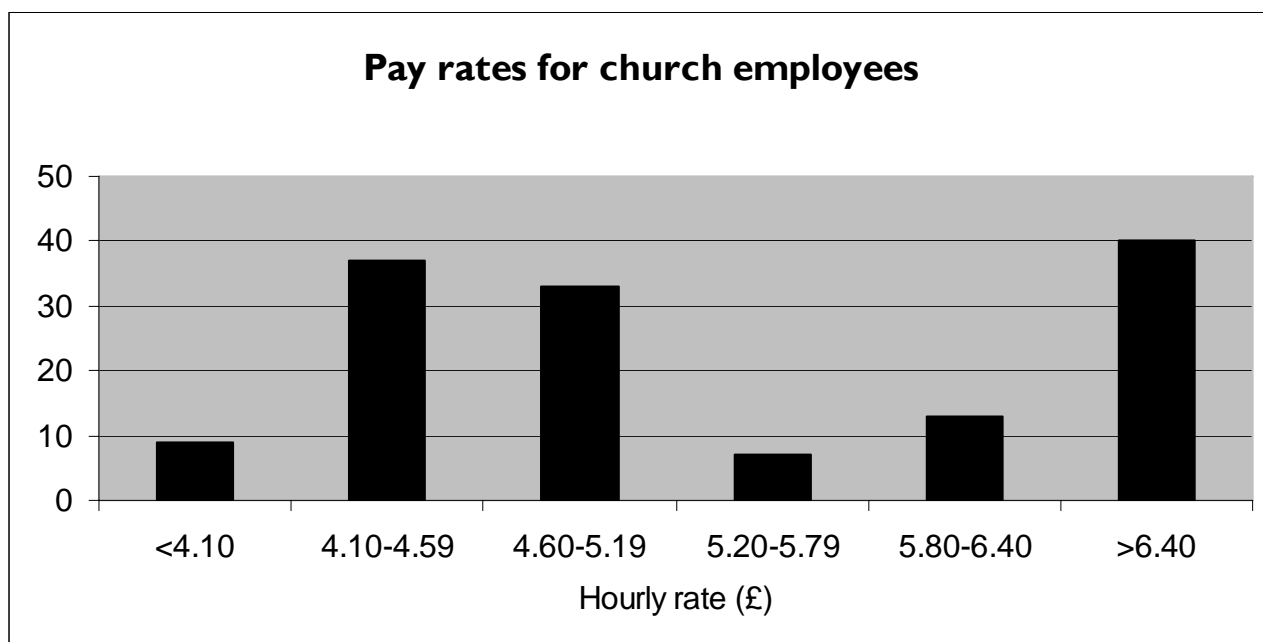
It is worth explaining why church schools have been included within this survey. As many have pointed out, school staff are paid by the Local Education Authority. However, the church has a say in the way the school is run and, through its places on the school governing body, can influence pay rates for its staff. We believe that the Catholic and Church of England denominations, which make up the vast majority of church schools between them, have a particular responsibility to use their political power to ensure that non-teaching staff are paid a decent wage. UNISON statistics taken from the Government’s New Earnings Survey show that the earnings of classroom assistants only increased by 19% between 1994 and 2001, compared to teachers whose earnings jumped by 30% over the same period. The churches should be speaking out against this injustice, giving a voice to substantial numbers of people without power or leverage, and it is for this reason that their plight has been highlighted within this report.

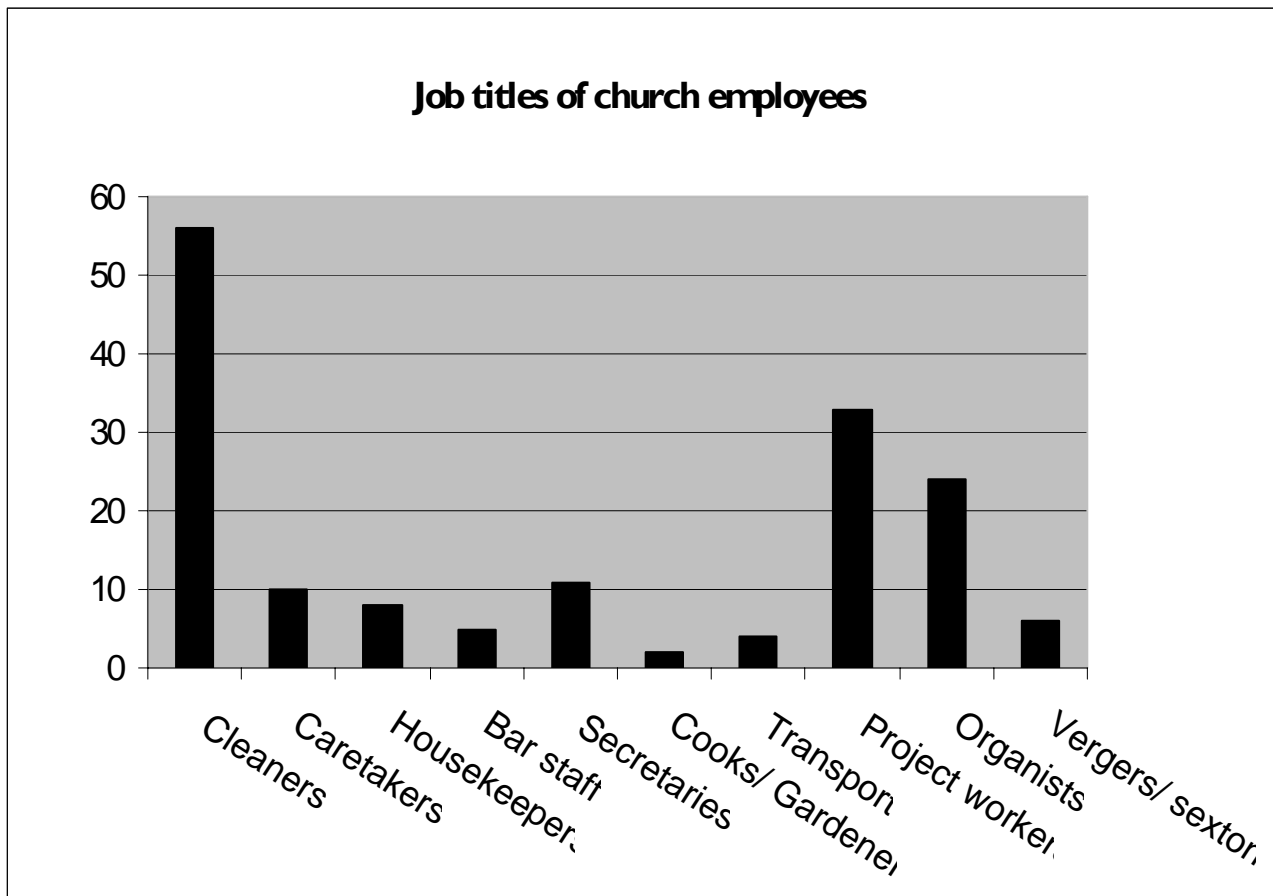
To add one final voice, a report by the Government’s Low Pay Commission notes that, ‘the minimum wage has brought benefits to many low-paid workers without any significant impact on employment or the economy’. They go on to comment that, ‘there is now scope for a significant increase in the National Minimum Wage’. A Living Wage could ensure that the government meets its target of lifting 1.2 million children out of poverty. It would improve the standard of living for millions of low paid workers. It would lead to a more motivated workforce with lower turnover and would be good for business too, due to the increased spending power that would be unleashed. Perhaps most importantly, it would enable millions to live their lives to the full, able to live their lives with dignity. All that is required now is political will. Church Action on Poverty believes that if we as Christians are serious about our message of solidarity with the poor then we should be at the forefront of this campaign. We need to start by looking to our own backyard and putting our money where our mouth is.

# Findings: The Churches

## Pay

- ♦ The survey was based on a sample of 68 churches who answered questionnaires, employing a total of 159 people. These included a small number of Methodist circuits but these will be referred to as churches for simplicity. Another 13 churches were known to be employing people but were not able to answer questionnaires for one reason or another.
- ♦ These 81 churches were part of a larger sample of 190 churches contacted. This sample was taken from a total of 851 churches in Greater Manchester.
- ♦ Therefore 43% of the churches contacted were employers. This included:
  - ♦ 28% of Catholic churches
  - ♦ 58% of Church of England churches
  - ♦ 41% of URC churches
  - ♦ 46% of Methodist churches
  - ♦ 36% of Baptist churches
- ♦ The results demonstrate that **62% of church employees are paid less than a living wage.**
- ♦ In fact 6% were paid less than the National Minimum Wage, although it is difficult to be sure of this as these were often cleaners who were paid a set amount for a variable number of hours.
- ♦ There is a clear gap between low paid workers, around half of whom earn £4.10 - £5.19, and those earning over £6.40.
- ♦ The results also give a good idea of what these church employees are doing.
- ♦ As the graph shows, 35% of these employees are cleaners, with a large proportion in traditionally low paid sectors. These include caretakers, housekeepers, bar staff, secretaries, cooks and gardeners.
- ♦ Cleaners, for example, were paid on average only £4.94.
- ♦ Most of these jobs were very part time, on average 9.79 hours. Half of the jobs were for five hours work or less.
- ♦ This meant that the cost of becoming a Living Wage employer was consequently quite small. For the churches in the survey (not including those which were Living Wage employers already), the average cost was just £13.31 a week, although costs ranged between 50p a week and £61.20.
- ♦ Given that the average number of employees for those answering questionnaires was 2.34, and supposing 43% of Greater Manchester's 851 churches are employers, it is possible to estimate that around **850 people are employed in Greater Manchester's churches.** Of these we can estimate that 530 will be paid below a living wage.





### Conditions

- ◆ Only 56% of employees have a written contract. Many churches seemed to be unaware that this is a legal requirement, even for very casual work.
- ◆ However, of these 87% are permanent contracts.
- ◆ Only 12% of employees received pension contributions.
- ◆ Only 16% have their own pension scheme but this is perfectly legal for those employing fewer than six employees.
- ◆ Average paid leave was a mere two weeks, but 18% of employees were allowed to take time off if they wanted it, rather than having a set number of days. Again, many churches seemed not to be aware of the legal requirement for 4 weeks paid leave per year.
- ◆ Only 21% had an equal opportunities policy with a similar number (20%) having a disciplinary or grievance procedure.
- ◆ Finally, 63% used word of mouth to advertise vacancies, compared to closed advertising such as parish newsletters (26%), open advertising e.g. local media (29%), and other methods such as job centres or cards in shop windows (9%). Churches could of course use more than one method of advertising.

### Analysis

The churches represent the worst of the three sectors. The fact that 62% of church employees earn less than a living wage perhaps speaks for itself. However, 44% of church employees don't even have a written contract. Many of these churches commented that they saw this as unnecessary because of the casual nature of the work but apart from the fact that this is against the law, the lack of a contract deprives the employee of one of their basic rights. Whilst this may not be an issue under normal circumstances, it has the

#### Case study: St Agnes

'St Agnes' church (not their real name as they asked to remain anonymous) employs two cleaners at £5 an hour each. These work four and two and a half hours respectively. Neither of them has a written contract or receives pension contributions but they do receive paid leave on a flexible basis. The church doesn't have an equal opportunities policy or disciplinary/ grievance procedure and recruits people using shop window adverts or people within the church. To pay a living wage would cost the church an extra £5.20 a week

potential to unnecessarily exacerbate situations of conflict.

With regard to denomination, the Methodists came out the best in this area with 82% of employees having contracts, followed by the URC (77%), the Baptists (68%), the Church of England (44%) and the Catholic church with a mere 20%. This last figure may be explained by the fact that the majority of those working in Catholic churches are paid and regulated centrally by Salford Diocese (which deals with most of the Catholic churches in Greater Manchester) rather than by the parishes themselves. So the employees concerned may have had contracts, even though the priests contacted were not aware of this. Salford Diocese itself commented that, 'we are in the process of ensuring that all parish employees have up-to-date written contracts'.

This comparison of denominations should not obscure the fact that legally, all those receiving money for work done should have a written contract.

## Lack of employment rights

The lack of protection for employees was echoed in the lack of a written equal opportunities policy or disciplinary/ grievance procedure. Of course the existence of a written policy does nothing to guarantee that equal opportunities will be put into practice. Similarly, a disciplinary/ grievance procedure will not guarantee a fair hearing for problems. However, they do indicate that there is an awareness of the issues involved.

There was a general feeling, with notable exceptions, that there was no need for any of these devices. Again though, this leaves employees unsure of their rights and responsibilities and can only increase the scope for problems. Minor problems may become more significant than they need to be because there are no satisfactory and agreed ways of dealing with them. If there were no problems then it might be possible to say that this wasn't an issue but this seems very unlikely. For example, research on the Church of England as an employer suggests that, *'many people working for the Church of England, while often deeply committed to their work, find it a singularly unsatisfactory employer, particularly in the areas of supervision, review, training and, very significantly, pastoral care'*. This research was based on diocesan Adult Education Officers and Social Responsibility Officers in Church of England dioceses but based on our own results, it seems likely that most churches, from all denominations, are also less than satisfactory employers.

## Good practice

Although Salford Diocese is making efforts to bring church employees under diocesan control, the other four main denominations leave employment matters to individual churches. This of course has its advantages,

giving control to the churches. It does however put the employment of thousands of people across the country into the hands of people who have a poor knowledge of employment law or best practice. Again, the difference between the denominations was quite noticeable.

The Catholic Bishops' Conference of England and Wales has its 'Magenta Pack', which deals with these issues but this is now quite out of date. It is in the process of looking at how it can best provide employment information to Catholic dioceses, agencies and churches. The Baptist Union on the other hand knew of no guidance on the matter, while the Church of England left the matter to individual dioceses, although the Church Urban Fund did commission a report, 'The Project Worker' (2000), which gives guidance as to good management and employment practice for church and community projects.

### Case study: United People's Church, Moss Side

This small church has one employee, a cleaner working 8 hours a week. No pension contributions are made and paid leave totals 3 weeks. The church has no written equal opportunities policy or disciplinary/ grievance procedure. However, the church has already signed the Living Wage pledge, the first Baptist church in the UK to do so, and is looking at raising the cleaner's wages. The cleaner is currently paid £5.00 an hour and has a written permanent contract. To pay a living wage would cost the church an extra £6.40 a week.

The Methodists were perhaps the most on top of the issue, having issued a 'Lay Employment Advisory Pack' to all churches which details changes in law, the minimum wage and the importance of job descriptions etc. Each district also has a volunteer 'Lay Employment Secretary', with experience in employment matters, to advise local churches on employment issues. Manchester circuit had also set up a body, *Connexions in Community*, which employed three staff (two full time and one part time) to deal with employment matters for the 17 staff employed within the circuit (see inset).

Finally, the URC made it clear that responsibility for employment matters lay with the synods, but that they would routinely disseminate employment information to the Synods, including advice as to good practice and changes in the law. Greater Manchester falls mainly under the North Western Synod which claimed to distribute information alerting churches to changes in the minimum wage and other legislation.

# Findings: Christian Organisations

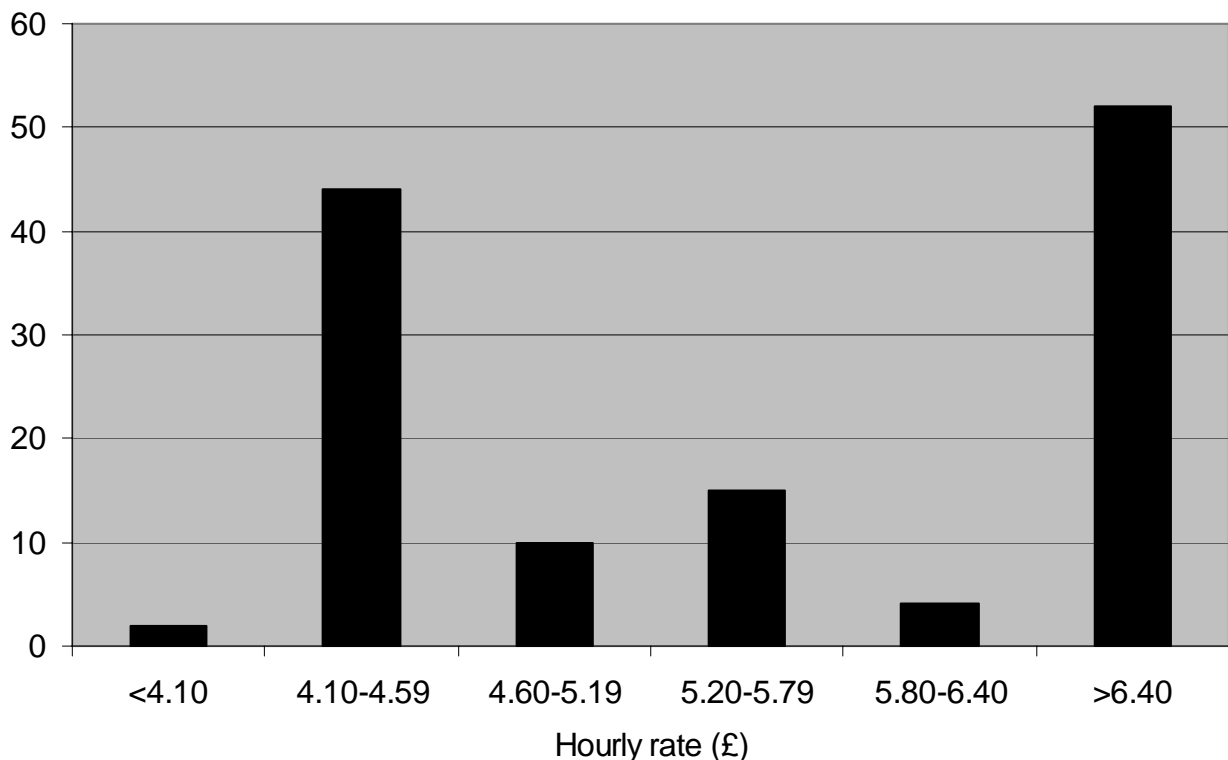
## Pay

- ◆ This survey was based on a sample of 25 Christian organisations, comprising 629 employees in total.
- ◆ However the pay statistics below are based on just 21 of the 25 projects and therefore include information on just 145 of these employees
- ◆ For the four largest organisations detailed pay information was unavailable because there were simply too many employees. They did give an idea of pay scales for different jobs though, showing significant numbers of staff being paid less than a living wage.
- ◆ That notwithstanding, the results show that **57% of employees were earning less than a living wage**. Unlike the churches however, most of these were full time jobs, half of them being for more than 35 hours. The average number of hours worked was 28.
- ◆ However, this figure of 57% was still skewed by the larger organisations. For example, 17% of these

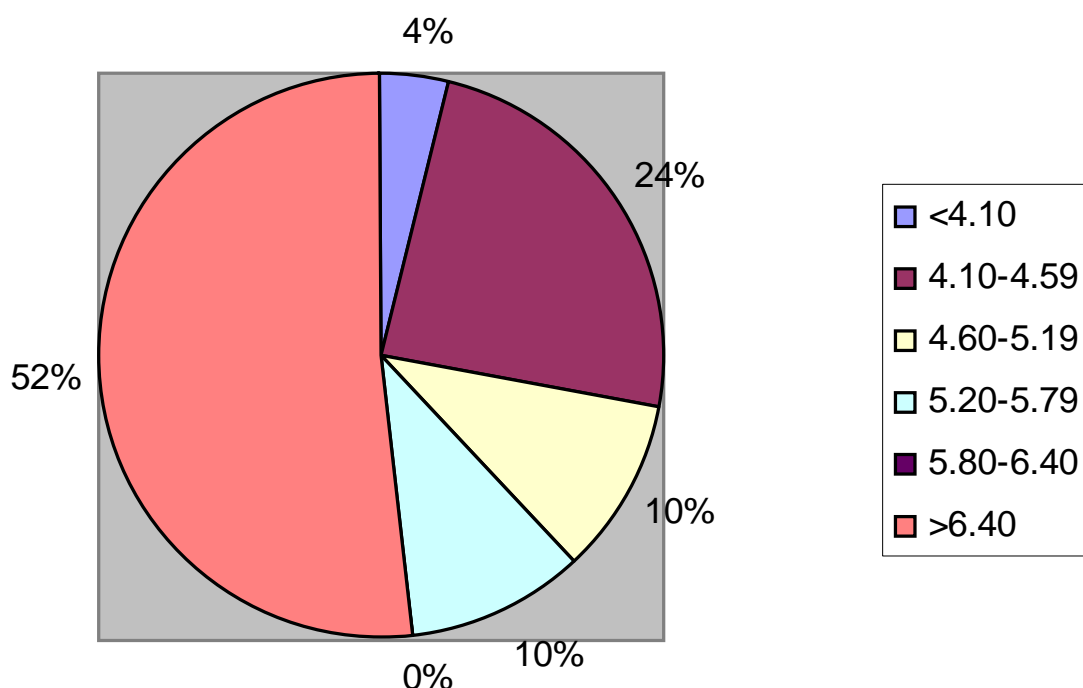
## Case Study

This organisation, which asked to remain anonymous, employs one full-time warden at £15,500 pa (whose salary is fixed to that of a Methodist minister and is therefore outside of the control of the management committee), two part-time assistant wardens at £5.85 an hour and six cleaners (two at £4.80 an hour and 4 at £4.35 an hour). All employees have written permanent contracts, which include an equal opportunities policy, and the organisation as a whole has a disciplinary/grievance procedure. Staff are allocated four weeks' paid leave and the warden receives pension contributions. To become a Living Wage employer would cost approximately £5,000 per year on top of their existing wage bill of around £45,500, an increase of 11%.

Pay levels for those working in Christian Organisations



## Pay rates for organisations with fewer than 9 employees



employees were catering assistants at one project.

- ♦ For this reason it was decided to put a separate figure on organisations with fewer than 9 employees.
- ♦ For organisations with fewer than 9 employees, **48% of employees were paid less than a living wage**. For the purposes of further calculations a figure of 52.5% was used (an average of the two percentages).
- ♦ The 4% paid less than £4.10 were under 18 and therefore were not covered by the National Minimum Wage.

## Conditions

- ♦ The following statistics concern the entire sample of 25 organisations.
- ♦ 90% of employees had a written contract.
- ♦ 84% of employers ensured that all their staff had contracts.
- ♦ Of these, 89% were permanent.
- ♦ 49% received pension contributions.
- ♦ 71% of organisations had a pension scheme.

- ♦ Average paid leave was 4 weeks per year.
- ♦ 52% of organisations had an equal opportunities policy.
- ♦ 83% had a disciplinary/ grievance procedure.
- ♦ 43% used word of mouth to advertise compared to closed advertising (9%), open advertising (43%) and other methods such as job centres (39%). Organisations could of course use more than one of these methods.

It was possible to estimate that a total of 1374 people are working for Christian organisations in Greater Manchester; based on the Christian Handbook and other minor sources. For the purposes of the analysis this has been rounded to 1400.

## Analysis

The survey has revealed that **around half of employees of Christian organisations are being paid less than a living wage**. In addition, about the same proportion are receiving pension contributions. This is clearly a better situation than in the churches but still leaves much room for improvement. Pension contributions in particular should be much higher given the large proportion of employees working full-time

hours.

Where the organisations did much better was in relation to terms and conditions, with 90% of employees having a written contract. However, it should not be forgotten that this figure should be 100%. 84% of employers ensured that all their employees had contracts which ranks some way below the voluntary sector as a whole (98% for full time employees, 95% for part time employees and 90% for casual staff) . Interestingly, all but one of those employees without

written contracts worked for Christian bookshops. Average paid leave was a much healthier 4 weeks a year, comparable with the public sector.

83% of organisations had a disciplinary/ grievance procedure but only 52% had an equal opportunities policy, suggesting that while organisations may be better employers than churches, they are not giving the issue of equal opportunities the importance it deserves. This does not compare well with the voluntary sector as a whole, in which 70% of organisations have an equal opportunities policy for example . It is not possible to say why this might be given the limited scope of the questions.

### Case Study: Connexions in Community

Established as a charitable company in September 2001, 'Connexions in Community' (CiC) was established by the Manchester and Salford Methodist Mission to manage its existing projects, work with local people and churches to continue to develop new initiatives, and to offer advice and help to people seeking to establish their own projects. The need for CiC stemmed from an acknowledgement that if the circuit's commitment to the poor was to remain, new structures would have to be found to remove the considerable workload of project management from an increasingly aged and diminishing church population of ministers and lay people.

The company handles the employment matters of 18 workers, and is funded almost entirely through grants gained primarily through its partnerships with other organisations such as Local Authorities, voluntary agencies and Housing Associations. This arrangement allows

each project to maintain its distinctiveness and identity, while taking away a great deal of the burden of raising funds and dealing with employment and financial issues. The projects consequently have more time and more security, precious commodities for those with scarce resources. It can also be a way of leveraging in more resources, enabling projects to develop. CiC hopes to expand itself in the near future, looking to fund someone to support churches in Salford, and another worker to build the links between churches in Greater Manchester more generally.

CiC is an interesting model for those who are looking to see the church increase its involvement with the community. Far from being a dead weight and additional cost for the circuit, it has supported itself and now specialises in enabling each part of the church to do what it does best; ministers to minister and community workers to work with the community.

# Findings: Schools

## Pay

Although these figures are based on a degree of guesswork, they give a broad outline of the likely numbers of low wage employees in Church schools. The point is not complete statistical accuracy but an illustration of the large numbers of people affected. Refer to the methodology for an explanation of how these figures were reached.

- ♦ Around 7000 church primary school employees and 8-900 church secondary school employees are likely to be paid below a living wage in Greater Manchester.
- ♦ Their conditions are likely to be good, except perhaps in cases where catering and cleaning services have been contracted out to the private sector. It was not possible to determine how common this is.
- ♦ All employees should have a written contract.
- ♦ Most of these will be permanent.
- ♦ All LEAs have their own pension scheme, though not everyone will receive pension contributions.
- ♦ Paid leave will total 22 days a year for those on salaries up to £15,342, 24 days for those on £15,741- £19,014 and 25 days for those on £19,770- £33,384. These are for those employees employed for less than five years, with an extra five days for those employed longer than that, and another five days after 20 years.
- ♦ All LEAs have an Equal Opportunities policy as well as a disciplinary/ grievance procedure.
- ♦ All LEAs are committed to advertising posts as widely as possible.

## Analysis

Whilst it has been difficult to arrive at an exact number of the people involved, the figure of 7850 low paid staff is broadly accurate. What is clear is that large numbers of people across the country are being paid inadequate wages for doing work without which

schools could not function. These include many caretakers, cleaners, catering assistants, lunchtime assistants, nursery nurses, technicians and secretaries. Often these are unavoidably part-time jobs; lunch-time assistants for example, and this may work well for those with child-care responsibilities. Coupled to the fact that many contracts are term-time only though, in contrast to teachers who are paid all year round, the annual income can be far less attractive than it first appears. This is why the numbers of low-paid employees include nursery nurses and classroom assistants, who may well be earning a living wage in terms of the hourly rate but far less than that when annual earnings are taken into account.

All those who work term-time only contracts need some form of financial compensation to make up for the fact that they don't get paid in school holidays. This is particularly true for those who don't qualify for the Working Families Tax Credit, employees working fewer than 16 hours a week for example. We would argue that this compensation take the form of a living wage for all but additional resources might be needed for those who earn around £5.80 an hour but are still on a low income through a combination of term-time contracts and few hours.

Of course if church schools did raise their wages then there would be a great deal of pressure on non-church schools to do the same. Even taking this into account though, we estimate that the cost of ensuring that all employees in Greater Manchester schools are paid a living wage would average about £550,000 per Local Authority. For the average primary school the increase to the annual wage bill would be perhaps £6500 and for the average secondary school about £7500, not a small amount but surely achievable, perhaps using the Chancellor's annual gift of £30,000 which is now a regular feature of the Budget for example.

On a more positive note, LEAs tend to be better than average employers where conditions of employment are concerned. The extent of subcontracting needs to be monitored carefully if this is to remain the case.

# Conclusion

## Taking the Gospel seriously

If Christians want to be taken seriously as living examples of the Gospel then clearly much needs to change. With nearly 2 in 3 church employees and about half of Christian organisation employees paid less than a living wage, it is difficult for churches to speak out with authority against low wage employers. Similarly, the conditions of employment, particularly in the case of the churches, often seem to rank below what could be expected in the private sector.

The solution in some ways is very simple. The areas examined in this report were deliberately chosen as areas where Christians have a chance to change things. As we have shown, increasing the wages of low paid church employees need not cost a great deal of money. Similarly, those in Christian organisations, used to raising funds, can no doubt find ways to increase the wages of their low paid staff if they really want to.

Perhaps more complicated is the improvement of conditions, particularly the writing of job descriptions and contracts, the introduction of equal opportunities and disciplinary/ grievance procedures, and the compliance with ever changing employment legislation. Whilst cumbersome though, these changes may also be seen as an opportunity. For churches and denominations, this could be a chance to provide more enduring structures for their work with the community, in the way that *Connexions in Community* has done. Existing projects could gain a great deal from pooling resources with neighbours to set up new organisations or posts with the skills and expertise to support projects as they develop.

## The Church as employer

With the government professing itself keen to support faith communities in their work with local groups, now could be an ideal time to embark on these changes. A new emphasis on supporting the church's work in the community, and an acknowledgement of the responsibility it holds as a large employer, could trigger a renewal of the churches in the UK. This may seem optimistic but recent research by the Catholic Agency

for Social Concern for example notes, 'the potential of community development to revitalise the local parish'. Translated onto the national scale, this revitalisation could be pivotal in persuading those drifting away of the continuing relevance of the churches, demonstrating that solidarity with the poor is as important to us as it was for Christ himself.

## Church schools leading the way?

Finally, and perhaps the area where the churches could have the greatest impact in the long term, our survey has revealed huge numbers of people employed in church schools on low wages. These are people doing the vitally important work of caring for our children and yet they are not recognised for what they do. Again, the church has the opportunity to change this if it puts its mind to it. Our own figures suggest that the cost per school would be manageable, but the implications of this could have far reaching effects, forcing Local Authorities and other employers to increase their wages in line with rising expectations. Many will argue that this increase is too much for the public sector to bear but the truth is that spending reflects political priorities. Low paid cleaners and classroom assistants simply aren't a political priority. Raising the wages of these workers would cost only a fraction of the £763m with which the government subsidises the arms industry every year for example. Yet the reality is that this is unlikely to happen until we add our voices to theirs.

Jubilee 2000 has shown that church-based movements can have a massive impact. In many ways we are asking for much less and have much more power over the outcome. The first steps are within our grasp. Those of us who are churchgoers can ensure that our own church employees are properly employed with a decent wage. Those of us on school governing bodies can make representations for those on low wages in our schools. Those of us who are members or employees of Christian organisations can press for a living wage within them. For, *'those who oppress the poor insult their Maker, but those who are kind to the needy honour Him'* (Prov. 14:31) It is a stark choice but a necessary one. Which will we be?

## Appendix I

# Frequently Asked Questions

### **Church employees are just doing a few hours a week. What's the big deal?**

The church has a responsibility to the people it employs, no matter how many hours they work. While this *laissez-faire* attitude may work for most of the time, anecdotal evidence suggest that where there is a problem, relationships between the employer and employee very quickly break down. Simple measures like written contracts, job descriptions, a disciplinary/ grievance procedure, can help to avoid this, ensuring that both employer and employee know their rights and what is expected of them.

There is also a wider question of how much the churches value their employees. If the churches take seriously their role as representatives of Christ, living in the spirit of the Gospels, then those directly under their care should have a right to expect the highest standards of care.

### **We can't afford to raise wages.**

As the previous point shows, often the amount of money at stake is very small. For a cleaner on £5 an hour, doing perhaps 3 hours a week, it is only a matter of raising the weekly salary by £2.40 for example. The majority of church employees are on a low number of hours, and the survey showed that the average increase needed was £13.31 a week per church, not an insurmountable amount of money but no doubt significant to the employee.

This point also ignores the savings to be made by larger organisations through increasing wages. The higher the wages, the lower staff turnover is likely to be, thus decreasing the amount of time and money needed to train people up and leading to a more motivated workforce with better morale.

### **Our church employees are really only volunteers who get a bit of money for their efforts.**

There should be a clear distinction between volunteers and employees, the most common difference being that employees are paid for more than their actual expenses. If people are in fact employees, no matter how casual, then they are legally entitled to a minimum standard of care, including written contracts, job descriptions etc.

### **Increasing wages will lead to fewer people being employed.**

This was one of the arguments used by those opposing the introduction of the minimum wage.

Extensive research by the Low Pay Commission on the introduction of the minimum wage suggests that even allowing for other factors such as the state of the economy and so on, the impact of the minimum wage on employment was neutral. It is our responsibility as Christians to ensure that those employed by us are not exploited. As Neil Burgess comments, *'if the church does not act well as an employer, it can have little credibility when commenting on the way other organisations behave'*.

### **Why £5.80?**

It is notoriously difficult to define a 'Living Wage' in precise monetary terms, since every household's circumstances are different and the cost of living varies across the country. However, TELCO, a community organisation campaigning for a Living Wage in East London, have commissioned research which identifies £6.30 as a Living Wage for London. An approximate figure for outside London would be £5.80, which also roughly equates to 60% of median earnings; the most common indicator of poverty used by the UK and the EU. For the year 1999/2000, 13.3 million people were classed as living in households below 60% of median income.

Extensive research by the Family Budget Unit has identified a number of figures based on 1998 prices. For example, they suggest that for a couple with a boy aged 10 and a girl aged 4, a 'Low Cost but Acceptable' (LCA) budget would be £230 a week if one partner is working, or £270 if they both are, presuming that one works full time and the other part time. Taking into account all available benefits and tax credits at the time, this would mean that they would need an hourly wage rate of £5.40 if they both worked, increasing to £6.96 in the case of just one partner working (full time), and again to £15.72 an hour in the case of one partner working part time.

This research was carried out before the advent of the Working Families Tax Credit (WFTC) but they predicted that this would not be enough to enable families to reach LCA level. In fact, 1 in 3 jobs don't qualify for WFTC as they are either too part-time, too temporary or too casual. This is compounded by a lack of good employment advice, particularly for non-unionised workers. TELCO's 2001 study of East London found that very few of the workers with children were found to be claiming WFTC, even where they were entitled to it.

### Appendix 2

# Methodology and Limitations

The results of this survey represent a snapshot of the churches, Christian organisations and Church schools in Greater Manchester. This was carried out in different ways according to the constraints presented by the different sectors.

#### Churches and Christian Organisations

The bulk of contact with churches was made by telephone, with phone numbers being found in the relevant denominational directories and the Christian Handbook. Respondents would be asked 10 questions from a questionnaire, ensuring that questions were asked in the same way each time. However, this transpired to be an extremely time-consuming task because of the difficulty of making contact with the often busy individuals who were in charge of those employed by the churches. For this reason, a letter was sent out to 268 churches which had not previously been contacted. This requested information as to whether or not churches employed people and when the respondent was likely to be in but nothing further. Of these 39 replied (15%).

The information gained from the survey can be seen as reliable but there was some concern that churches would conceal the fact that they employed people in order to avoid tax or benefits issues. For this reason, among others, it was stressed that individual information would be treated as confidential. The significance of this issue is of course impossible to estimate.

It can be seen from the results that 6% of church employees are paid less than a minimum wage. However, it is difficult to be sure of this as some of these are paid a fixed amount for a variable number of hours. Therefore their hourly rate is based upon an estimate of average number of hours worked.

#### Church Schools

This proved the hardest part to find information on as both schools and LEAs refused to give detailed pay information. Instead, schools were phoned in order to get an idea of staffing levels in primary and secondary schools. LEAs were contacted in order to get information on conditions and Manchester City Council's 'Jobs Update' was used to get an idea of which jobs would be part-time and which were likely to be on term-time contracts. The number of church schools was calculated using the list of schools in each LEA, available on OFSTED's website. Pay information was taken from UNISON's New Earnings Survey for Local Authority employees on adult rates, whose pay for the survey was unaffected by absence.

Clearly the figures for this part of the survey were

based on a degree of secondary information and a number of estimates. Nevertheless, it was felt that as a rough estimate they could be seen as accurate.

There are 42 church secondary schools and 413 church primary schools in Greater Manchester. After ringing a sample of these, it proved to be difficult to get detailed pay information as schools referred us to the LEA, who then referred us back to the schools. The following statistics are therefore based on a degree of guesswork. 15 primary schools and 5 secondary schools were phoned to gain a picture of the staffing levels of an 'average' primary and secondary school. This figure was then used to gain a picture of how many people might be paid below a living wage across Greater Manchester, based on a picture of the average wages for cleaners, classroom assistants, caretakers etc. taken from UNISON statistics. In fact some of these are likely to be paid around £5.80, nursery nurses and classroom assistants in particular, but these were included because the fact that their contracts are term-time only means that they are still classed as low waged.

It was supposed that 19 non-teachers work in the average primary school, including cleaners, caretakers, classroom assistants, nursery nurses, secretaries, lunch-time assistants, catering staff and special needs assistants.

Of these 17 are likely to be paid below a living wage (all except special needs assistants). This would mean around 7000 employees being paid less than a living wage in church primary schools in Greater Manchester.

Similarly, it was estimated that 20 of the 27 non-teaching staff working in the average secondary school would be earning less than a living wage, including caretakers, junior secretaries, classroom assistants, cleaners, lunch-time assistants, catering staff and technicians. This means 8-900 low paid employees in church secondary schools. So altogether we have estimated that nearly 8000 employees of church school in Greater Manchester are paid below a living wage.

If the average wage of a low paid member of staff is £5.20, and the average hours 12, it would cost about £381 per employee per year to increase wages to £5.80 an hour (based on a 39 week year). Multiplied by 7850 employees, this would mean a total cost of just about £2.2 million, or an average of £220,000 per Local Authority. However, it would be difficult to do this for church schools alone so based on the fact that church schools constitute around 40% of all schools, this would mean a total bill of about £5.5 million, an average of £550,000 per Local Authority, not small change but surely possible given the billion dollar budget of Manchester City Council alone.

## Appendix 3

# Survey Questionnaire

Name \_\_\_\_\_

Position \_\_\_\_\_

Church \_\_\_\_\_

Respondent telephone no. \_\_\_\_\_

Church address \_\_\_\_\_

\_\_\_\_\_

Denomination \_\_\_\_\_ Date \_\_\_\_\_

My name's Steve Cann and I'm from Church Action on Poverty. I'm looking into the pay and conditions of lay people employed by church related organisations such as local parishes, schools and church agencies. Have you got a few minutes to answer a couple of questions?(If yes, then stress that all personal information will remain confidential)

1. Does your church employ any lay people? If so, who? **or**

1. How many non-teachers are employed by your LEA and what jobs are they doing? **or**

1. How many lay people are employed by your agency?

This could include caretakers, cleaners, youth workers, classroom assistants, organists, those employed in church funded projects, (anyone else?) If no-one is employed then thank them for their time.

- |          |          |          |
|----------|----------|----------|
| a) ..... | d) ..... | g) ..... |
| b) ..... | e) ..... | h) ..... |
| c) ..... | f) ..... | i) ..... |

2. How much are they paid? *Per hour if known, weekly if not*

- |          |          |          |
|----------|----------|----------|
| a) ..... | d) ..... | g) ..... |
| b) ..... | e) ..... | h) ..... |
| c) ..... | f) ..... | i) ..... |

3. How many hours do they work in a week?

- |          |          |          |
|----------|----------|----------|
| a) ..... | d) ..... | g) ..... |
| b) ..... | e) ..... | h) ..... |
| c) ..... | f) ..... | i) ..... |

4. Do they have a written contract?

- |          |          |          |
|----------|----------|----------|
| a) ..... | d) ..... | g) ..... |
| b) ..... | e) ..... | h) ..... |
| c) ..... | f) ..... | i) ..... |

5. If so, is it permanent or fixed term i.e. until a certain date? (ring as appropriate)

- |          |          |          |
|----------|----------|----------|
| a) ..... | d) ..... | g) ..... |
| b) ..... | e) ..... | h) ..... |
| c) ..... | f) ..... | i) ..... |

## A Living Wage Church?

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6. Do you contribute to employee pensions?

- a) ..... d) ..... g) .....  
b) ..... e) ..... h) .....  
c) ..... f) ..... i) .....

7. Have you as an employer set up a pension scheme?

- a) ..... d) ..... g) .....  
b) ..... e) ..... h) .....  
c) ..... f) ..... i) .....

8. How much paid leave is allocated to employees?

- a) ..... d) ..... g) .....  
b) ..... e) ..... h) .....  
c) ..... f) ..... i) .....

9. Does your church/ agency/ LEA have a written equal opportunities policy?

Yes          No

10. Does your church/ agency/ LEA have a written disciplinary or grievance procedure

Yes          No

11. How does your church/ agency/ LEA recruit people? *Tick as many as appropriate*

- a) Word of mouth  
b) Closed advertising e.g. parish newsletter  
c) Open advertising e.g. local media  
d) Other .....

Thankyou for your time