

**MAKING LONDON
A LIVING WAGE
CITY: ACTION
PLAN**

ABOUT THE PROJECT

'Making London a Living Wage City' is a campaign launched by Citizens UK and Trust for London, to put wages back into the pockets of low-wage workers in London. Our vision is simple - we would like everyone in the capital to get the real Living Wage.

The Living Wage is an hourly rate, calculated according to the cost of living in the UK by the Living Wage Foundation. The London Living Wage is currently £11.95 per hour.

Our ambition is to identify low-pay sectors and employers and ask them to accredit with the Living Wage Foundation and commit to paying the real Living Wage.



The Living Wage Foundation is the organisation at the heart of the independent movement of businesses promoting the real Living Wage. We celebrate and recognise the leadership of responsible employers who choose to go further and pay a real Living Wage based on the cost of living, not just the government minimum.

The real Living Wage is the only UK wage rate that is voluntarily paid by over 11,000 UK businesses who believe their staff deserve a wage which meets everyday needs.

***citizens*uk**

Citizens UK uses broad-based organising to build people's power, lead change for the common good, and strengthen civil society institutions. We have diverse alliances across the UK made up of over 550 civic organisations who develop their own local agendas whilst also uniting around campaigns across the country.

Organisations work together to make change by winning concrete commitments from public and private sector power holders. Over the last thirty years, this has driven some of the biggest campaign impacts in the UK, such as winning £1.8bn in additional wages for low-paid workers.

Some of our local campaigns have grown into large-scale social change projects, including the Living Wage Foundation.

CONTENTS

The Living Wage: Good for the economy, businesses, workers and families	5
Forewords: Co-chairs and Trust for London	7
Our partnerships: Who makes a 'Living Wage City'?	12
How to get involved	14
Targets and Evaluation	16
Analysis: Low pay in London	18
The business case for the real Living Wage	20
Civil Society and the real Living Wage	22
Project Steering Group	26
Beyond Living Wage Employment	28
Sector Action Strands	30
Local Action	34
Appendix: Steering Group Commitments	38

**THE LIVING
WAGE: GOOD
FOR THE
ECONOMY,
BUSINESSES,
WORKERS AND
FAMILIES**



Everyone has been affected by the rising cost of living this year, but no one more than the 4.8 million workers earning below the real Living Wage. Although the Living Wage campaign has now brought about £2 billion in pay rises throughout the UK, with over £1 billion extra going to Londoners, there are still over 575,000 jobs in London that pay less than the real Living Wage, putting these workers and their families in, or at risk of, poverty.

Millions of low-paid workers and their families are also feeling the pain of rising bills right now, with profound effects on mental and physical health and financial resilience. Research conducted by the Living Wage Foundation found that 78% of workers paid below the real Living Wage – 3.7m workers nationally – say the cost-of-living crisis is the worst financial period they have ever faced. Almost half of low-paid workers (42%) are now regularly skipping meals due to financial reasons, up ten percentage points since January 2022 alone.

Our Living Wage movement is at the heart of the solutions to this crisis.

We know that delivering a Living Wage and secure, reliable Living Hours is invaluable for workers and families, but it also brings huge benefits to businesses and the wider economy. New research conducted by the Smith Institute has found that if just a quarter of those earning less than the real Living Wage saw their pay rise to the real Living Wage, the increase in wages, productivity and spending would deliver over £200m back into London's economy.

The research is clear – the Living Wage is good for the economy, businesses, workers and families, and is integral in delivering a sustainable high-wage, high-growth economy.

FOREWORDS: CO- CHAIRS AND TRUST FOR LONDON

2



CO-CHAIR FOREWORD: SADIQ KHAN, MAYOR OF LONDON

As Mayor of London, I'm proud that workers in London led the way in establishing the Living Wage campaign over two decades ago. The Making London a Living Wage City Programme is an ambitious effort to scale-up the campaign that will help to ensure thousands more Londoners in our lowest-paid sectors earn enough for a decent standard of living.

The number of Living Wage accredited employers in London has more than quadrupled since I was elected Mayor in 2016. This is a testament to the combined effort of employers, workers, trade unions, community groups and our anchor institutions, who raise awareness of the campaign and extend its reach to an ever-growing number of employers.

However, there's more to do while low pay persists in our economy. Nearly 20% of jobs in London are still paid below the London Living Wage. Ensuring that Londoners are paid a living wage is integral to our recovery from the pandemic and the cost of living crisis. It's also crucial as we strive to continue building a better London for everyone – a city that is fairer, safer and more prosperous for all. A fairer London means workers receive a decent wage, working reasonable hours that maintain a home life while being better protected from future economic shocks.

The Living Wage is a win-win for employers and employees. It can help employers with recruitment, retention and productivity. In short, it makes good commercial sense. Fair pay is also fundamental to good work. That's why I've placed the Living Wage at the heart of my Good Work Standard, which sets the benchmark for good employment practice.

I've always believed that it's important to lead by example, that's why one of my top priorities on election was to ensure that all Greater London Authority (GLA) staff were being paid the London Living Wage and that the Living Wage was fully embedded across our supply chain. I'm committed to making the GLA an accredited Living Wage Hours employer, and a Living Wage Funder. And I'll continue to strongly advocate for the Living Wage directly to employers to ensure that London remains the best city in the world in which to live and work.

This action plan sets out how we'll work together to make London a Living Wage City. We have set ambitious goals to increase the number of accredited Living Wage employers and the number of employees earning at least the Living Wage rate in some of our most challenging low-pay sectors.

Our early actions will focus on health and social care, hospitality and service provision and the cultural and creative industries. Further work will build more Living Wage Places across London and ensure that the specific needs of workers who keep our city running and thriving at night are addressed.

I look forward to working with you all to realise this programme's immense potential. I also encourage you to consider how you and the organisations you work with can contribute to delivering our goal of making London a Living Wage City by 2024.



CO-CHAIR FOREWORD: RT HON & RT REVD DAME SARAH MULLALLY, BISHOP OF LONDON

The church at its best is always at the forefront of social movements. That's why I am using my position as Bishop of London to support and champion the real Living Wage campaign across the capital.

Dignity is something we all deserve. Workers should feel valued and respected, yet so many are being thrust into in-work poverty due to low pay.

Saint Paul reminds us that those who work earn their pay and the prophet Malachi proclaims that the Lord will "bear witness against those who oppress the hired workers in their wages". Wages are not counted as gifts, but as what is due. If people are giving their employers a hard day's work, do they not deserve a fair day's pay – one that is high enough to meet their needs?

Low wages mean that people struggle to afford the absolute necessities of life such as rent, fuel and food. This struggle impacts people's mental and physical health as well as their spiritual wellbeing and the ability to live what Jesus referred to as 'life in all its fulness'.

As well as using my leadership to support this important initiative I want to encourage each of you to do all you can personally and as the church to support the real living wage during this cost of living crisis. As a citizen of London, of our nation and of God's Kingdom, I believe that this goes to the heart of what it means to be human, and to follow Christ.



CO-CHAIR FOREWORD: ANNA PURCHAS, KPMG LONDON SENIOR PARTNER & REGIONAL CHAIR

Our vision of Making London a Living Wage City depends on the support of businesses in the capital, and many employers are now taking the initiative and recognising the benefits of accreditation. Across the UK, there are 11,000 Living Wage employers, including thousands of small-to-medium sized firms and over half of FTSE 100 listed companies.

Inflation has reached its highest levels in 40 years and wages are not matching rising prices, including for essential items such as food and heating. This means that those on low incomes have been hit the hardest, and for those living and working in London – which has a higher cost of living to the rest of the UK – the situation is particularly acute. Alongside the fact that paying the real Living Wage is the right thing to do, there is also a business case. KPMG has been an accredited Living Wage employer for over a decade and we know that higher wages drive productivity, and reduce absences and attrition.

Other accredited firms agree; 75% of the Living Wage Foundation's business network say it has increased the motivation and retention rates of employees. There is, therefore, a strong argument that paying a Living Wage is self-financing, as well as responsible, as we face the current economic headwinds. There is also a wider imperative. At KPMG we know future employees, investors and consumers are increasingly focussed on the Environmental, Social and Governance (ESG) credentials of businesses and their efforts to make a positive impact.

Consumers might choose brands for their ethical behaviour, particularly in the way they look after their employees, and ESG can also be the differentiator when it comes to attracting and retaining talent. Indeed, our recent CEO Outlook revealed that business leaders recognise that recruitment challenges are the primary downside to not meeting the ESG expectations of prospective employees.

There is strong evidence to suggest that paying the real Living Wage can support firms in the ongoing 'war for talent'; 86% of businesses believe that accreditation had improved their reputation, and 64% believe it has helped differentiate their business from other industry peers. Clearly it can provide a competitive edge for companies looking to attract and retain talent.

Prospects for economic growth should resonate with business leaders too. The real Living Wage puts money back in the pocket of low paid workers, creating a 'multiplier effect' driven by higher productivity and spending across the economy. Research with the Smith Institute on this multiplier effect found that if 25% more people were paid the real Living Wage, the annual national boost would be a £1.5 billion dividend, with London receiving an annual £328 million dividend.

In this ambitious Action Plan we set out the steps we are taking to ensure our aim of making our capital a Living Wage City becomes a reality. I look forward to working with the campaign team and my colleagues at KPMG as we set about securing our ambition, and making the case for change across the business community.

In 2007, Trust for London invested close to £1m in the Living Wage Campaign as part of a four-year Special Initiative. The £1m generated a £100m social impact of pay increases for people on low incomes whilst also playing a crucial role in enabling the creation of the Living Wage Foundation. In recognition of the work still to be done, in September 2021 Trust for London committed to invest £4.8m to make London a Living Wage City over the next four years.

At Trust for London we believe that no worker should earn less than they need to live on. That's why we're supporting the Living Wage movement. The first twenty years have been a success story. Thousands of Londoners have seen their wages increase. More and more, businesses understand that paying a decent wage is good business. It helps retain staff and attracts investors.

Lifting Londoners out of poverty is most enduring when it is led by communities working together. That is what the Living Wage movement does the best. But for London to become a Living Wage City – a place where being paid at least the Living Wage is the norm – a lot must change.

Across London at least 50% of people in poverty are working. This is sobering, even before the current cost of living crisis is factored in. Large scale change doesn't just happen on its own – the hard work of activists needs funding. That's why, last year we pledged £4.8 million to the campaign to make London a Living Wage City - this is the most we've ever given to a single campaign.

**OUR
PARTNERSHIPS:
WHO MAKES A
LIVING WAGE
CITY?**

3

Making Living Wage Places is a national scheme run by the Living Wage Foundation to recognise and celebrate those taking a place-based approach to expanding the Living Wage. There are now 12 recognised Living Wage Places across the UK ranging from Royal Docks in Newham in East London to major cities including Cardiff, Birmingham and Edinburgh, and Greater Manchester city-region. You can find out more at this webpage: <https://www.livingwage.org.uk/living-wage-places>.

In each place, action groups made up of business, local government and civil society work together to tackle the low-pay challenges of their place, using their connections and influence to engage local employers with an aim to make the Living Wage the norm.

Developing the best practice established through this scheme, Making London a Living Wage City is led by a Steering Group that brings together **large and small employers, investors, third sector organisations, trade unions, faith leaders, educational institutions, local government at city- and borough-level, and worker leaders with experience of low pay.**

The Steering Group draws on the strength and diversity of Citizens UK member institutions and the Living Wage Employer network, each bringing their own connections, influence, expertise and perspective to the project.

Building on our new relationships such as BusinessLDN and ACEVO, through Making London a Living Wage City **we want to forge relationships with new partners across the city, collaborating for real change through influential and diverse networks** across business and civil society.

HOW TO GET INVOLVED

4

This is a living document, which will be regularly updated as our plans evolve. The latest version will always be stored on the Citizens UK project webpage: <https://www.citizensuk.org/campaigns/making-london-a-living-wage-city/>.

1 Unaccredited employers

- Visit the Living Wage Foundation website and **accredit today**: <https://www.livingwage.org.uk/become-a-living-wage-employer>

2 Accredited employers

- Use your influence to **spread the word about the real Living Wage** in your sector, whether through your **communications**, your networks or your **procurement** practices. Fill in our webform to be put in touch with a team member for more information: <https://www.livingwage.org.uk/employer-enquiry>
- Start signing up to the **Living Hours** scheme here: <https://www.livingwage.org.uk/living-hours>

3 Local Authorities

- Consider joining our movement by engaging local Living Wage Employers to work with you to **set up a Living Wage Place action group in your borough**. Email clare.goff@livingwage.org.uk for more information.
- **Promote the real Living Wage in your borough**. You can access further information by contacting us on our website: <https://www.livingwage.org.uk/employer-enquiry>

4 Individuals

- If you are an individual who can **effect change across a network**, especially in one of our target sectors, contact emily.hodgson@livingwage.org.uk
- If you are part of a Citizens UK member institution, **speak to your organiser or leader** to get involved.

5 Political leaders

- **Celebrate** local Living Wage Employers, work with the Living Wage Foundation to **encourage accreditation**, and use your position to **promote the real Living Wage**. Get in touch with your local Citizens UK alliance if you want to hear more, or contact ben.andrew@citizensuk.org

6 Citizens UK member institutions

- **Contact your local organiser** to get further involved in the campaign: <https://www.citizensuk.org/chapters/>

Project Steering Group – employers, local government, civil society and workers	
Leadership development and strengthening institutions – Citizens UK member institutions	
Place-based work – employers, local government, civil society and workers	Sectoral campaigns – employers, civil society and workers in our target sectors

TARGETS AND EVALUATION

5

The three aims of Making London a Living Wage City are:

- **Develop leaders:** 800 workers and leaders from communities in deprived areas building their power to make change, and 20,000 people engaged in the Living Wage movement.
- **Strengthen institutions:** 135 civil society institutions engaged and 1600 employers joining the Living Wage movement.
- **Make change:** lift 75,000 people onto the real Living Wage and 10,000 people benefitting from Living Hours.

To do this, we will organise workers and communities, engage and accredit employers, and further build the profile and support for the Living Wage movement, bringing together a diverse coalition of people with lived experience to lead this change.

The campaign has adopted the following **key milestones** recognising the immediate challenges of the cost-of-living crisis. These milestones commit to further growth in the London Living Wage by May 2024 of:

1. 1,000 new Living Wage Employers (3,700 total)
2. 50,000 uplifted to the Living Wage (164,000 total)
3. 250,000 people employed by newly accredited Living Wage employers (1.4m total)

Evaluation is critical for achieving these goals. Through Making London a Living Wage City we have been given the opportunity to make change at a scale that is rarely possible.

This work requires the development of a range of interventions, from grassroots community organising and public affairs work to place-based action groups and creative campaigns. **As we develop and test these interventions, we want to learn and then share what has worked with Living Wage movements across the country – and internationally.**

Our learning will focus on three areas:

1. **How are we developing community and worker leaders to be at the heart of this campaign?** This connects with our ambition to develop our grassroots movement of people campaigning for a real Living Wage.
2. **How are we strengthening civic institutions as well as businesses through our work?** We know that a strong, independent and vibrant civil society leads to a fairer and more equal society. Through these organisations and relationships, we can make the case and build our movement.
3. **Are we making change, and how is it happening?** Our ambition to uplift the pay of 75,000 people will change more than just Londoners' finances – we want to track the impact this has on the health and wellbeing of the city's lowest-paid, and learn which interventions lead to change.

We are working internally to develop innovative ways of tracking our work as well as with an evaluation and learning partner so we can share our lessons.

ANALYSIS: LOW PAY IN LONDON

6

575,000 jobs in London are paid less than the real Living Wage. **London is home to many of the below Living Wage 'hotspots' within the UK. The top five local authorities by proportion of jobs paid below the Living Wage all situated in London, and constitute eight of the top ten local authorities.**

All of the London areas in this list are located in Outer London, with these areas facing the higher living costs of the capital without the same levels of pay seen in Inner London. Looking at London as a whole, the scale of low pay is higher in London this year than the national figure – the first time this has occurred.

Low pay does not affect all workers equally. Jobs held by women in London are more likely to be low paid than jobs held by men in London. Nationally, recent research by the Living Wage Foundation also found that 33% of Bangladeshi-origin workers, 29% of Pakistani-origin and 25% of Black workers are paid below the real Living Wage, compared to 20% of White British workers.[1] Part time workers suffer disproportionately from low pay in London, with almost 4 in 10 (38.1%) earning less than the London Living Wage.

Different job types experience low pay and insecurity of hours to very different degrees. Steering Group member **Amy Lamé, London Night Czar**, has brought to the project a specific focus on **night workers**, a critical part of London's workforce.

The GLA defines the night as all activity that happens between 6pm and 6am. Night workers are a crucial - often hidden - part of London's economy. Across the capital, 1.6 million people usually work at night - that is a third of employees. Health and social care is the largest night time employer, but night work happens in most sectors, notably finance and professional services, hospitality, culture, retail, transport and storage.

In 2017 the Mayor published the most comprehensive data report of any city at night. The London at Night report found that night working happens across all socio-economic groups and across all ages. However, it was more common for men and BAME workers to work at night and the largest growth in night work was amongst BAME women. Most worryingly, it revealed that if you work at night you are twice as likely to be paid below the London Living Wage.

Night workers don't just face the inequality of lower pay. Compared to day workers, they face reduced travel options and longer commutes, less access to in work support and training, increased safety fears, fewer healthy food options. This is compounded by mental health challenges including poor daytime sleeping conditions and increased social isolation.

As Night Czar I have commissioned research on night working that highlights the low pay and poor conditions so many people face. I am working with London boroughs to create Night Time Strategies that address the needs of night workers. I apply the 'Night Test' to Mayoral policies and funding, to ensure they positively impact those who are working at night. I have also launched Night Time Enterprise Zones to boost high streets at night and provide a better deal for night workers.

Ensuring night workers earn the London Living Wage is the bare minimum we should expect for those who keep our city running around the clock.

[1]<https://www.livingwage.org.uk/sites/default/files/Living%20Wage-Ethnicity%20Pay%20Gap%20Report.pdf>

THE BUSINESS CASE FOR THE REAL LIVING WAGE

7

Employers are also clear on the impact paying a real Living Wage has. Surveys of the over 11,000 Living Wage employers have shown 93% reported benefits as a result of accrediting, including 86% saying it enhanced the organisation's reputation as an employer, 64% that it differentiated the organisation from others in the same industry, and 53% saying it improved recruitment of employees into jobs covered by the Living Wage.

Federated Hermes Investment, a member of the project Steering Group, is leading the way advocating the importance of the real Living Wage for their investment activity, as a critical part of the ESG agenda:

Today's economic outlook and affordability challenges can make life challenging for people on lowest incomes whose cost of living is increasing disproportionately. It's crucial for societal wellbeing that lower paid workers are paid fair wages that reflect the rising costs of living. We therefore support the real Living Wage set by the Living Wage Foundation in the UK as an effective way for companies to ensure and demonstrate this.

We believe there is a strong business case for living wages. In a knowledge economy, where intangible assets such as human capital are estimated to comprise more than 50% of companies' market value, it is vital that companies look beyond physical assets to understand that their employees are a source of long-term value creation. When employers treat their employees with dignity and respect, they are more likely to realise their full potential and the benefits of an engaged workforce. Over time, we believe companies paying the real Living Wage will see benefits including better attraction and retention of staff, higher productivity and improved morale, as reflected in research showing that more than 80% of employers believe that worker absenteeism fell by approximately 25% after employers paid the real living wage. Paying living wages is also likely to positively impact a company's reputation and contribute to ensuring its continued social licence to operate, which includes a general acceptance by employees of a company's business practices and operating procedures.[1]

Paying a living wage can also contribute to facilitated access to finance for companies. Indeed, paying employees the real Living Wage is a way for companies to give assurance to their stakeholders and, in particular, their investor base that they are operating in a fair and ethical way, and that their operating model is not reliant on potentially unsustainable employment practices.

Investors and investor representatives that assess the sustainability performance and risks of a company welcome real living wages, and see this as a strong signal that a company is mindful of the importance of adequate human capital management. Companies that pay the real Living Wage may see reduced human capital-related risks, such as high employee turnover and costs, poor employee performance and morale, and strikes. A responsible approach to human capital management is highly valued from a governance and risk perspective and can be reflected in investment decisions.

We would encourage all businesses to consider paying the real living wage and to think carefully about how they can best support their employees during these challenging times.

[1] https://www.ey.com/en_us/board-matters/how-and-why-human-capital-disclosures-are-evolving

CIVIL SOCIETY AND THE REAL LIVING WAGE

8

The campaign for a Living Wage was launched by members of London Citizens in 2001. Parents from churches, synagogues, mosques and schools in East London found that despite working on two or more minimum wage jobs they were struggling to make ends meet, and were left with no time for community and family life.

Building on this legacy, the civil society members of our project Steering Group play an essential role in shaping the project. Through their leadership and the 275 member organisations of London Citizens, we are building a people-powered movement to keep the Living Wage high on everyone's agendas. It's those who know what low pay looks like who can make the moral case and help build the power for change.

Low-paid workers play a central role in our movement. At a recent summit of community leaders and NHS executives, **Kelly Jimenez, a cleaner and member of South London Citizens**, shared her story and asked for change:

Last year was one of the hardest since I arrived in London. The company I worked with after several threats and battles supported by my union, reduced by 25 percent my work hours. As a single mum to a son with asthma, I could not accept this. I couldn't lose my job and so I kept working over the pandemic; risking my son's health and my own. All for less money. This led to sleepless nights and so much stress, my hair fell out. Finally, I was let go in March and didn't even get fair redundancy.

After sharing her story, she asked for the South-West and South-East Integrated Care Systems to ensure that no one else would suffer the distress she went through. Would they pay the real Living Wage to all their staff? The answer from decision makers was a resounding 'yes'. She finished by saying, "I have given my time, but also my love, my spirit, lots of courage and all my faith that things can be better for us all. I would like to invite you all to do the same."

Kelly didn't just share her story about being part of the Living Wage movement, but created a pathway for others to get involved. **This is the power and leadership of the community leaders and workers that are part of Making London a Living Wage City.**

Alongside low-paid workers, the broad range of community institutions that make up the membership of London Citizens drives our campaign. **Angela Moore, Headteacher at St Antony's Catholic Primary and member of the Making London a Living Wage City Steering Group**, explains why her school – a Citizens UK member institution – has played such a central role in the Living Wage campaign.

I accepted my appointment as Head Teacher at St Antony's Catholic Primary in East London, acutely cognisant of the fact that I would be working in what is deemed to be 'one of the most deprived wards of London.' I therefore, knew from the very outset, that I was called to this vocation, not only to address the academic needs of the children that I would serve, but more fundamentally, that I would need to confront and contend with the social and economic realities their parents and many staff (who were also parents) faced daily. The impact of the deprivation on the vast majority of these working parents was stark and impossible to ignore-as I was in close and direct contact with them daily!

I therefore chose to become a Living Wage Employer, because I could not look my children, staff and parents in the face, knowing that there was something that I could do, to make a real difference in their lives, and not take the needed action to this end.

As school leaders, we have a moral purpose to use our positional power to challenge status quo. We need to be courageous and step up to the plate (boxing gloves on) to help create a fairer society. We need to ensure that those most in need are able to work for a wage that will aid with lifting them out of the vicious cycle of 'the working poor' and afford them the dignity they deserve. As leaders, we must all practice what we preach, lead by example, and do what we know is right. The greatest gift that we could give any child in our schools is a parent who is present in their lives, because they do not have to work multiple jobs, at ungodly hours and still be only just barely able to supply their children's basic needs! This is the reason for every school, particularly those in areas of great deprivation, to be accredited as a Living Wage Employer-to aid with ending poverty and deprivation wherever it exists.

Presently St Antony's has one of the highest attendance rates among its pupils and staff over the last decade and enjoys very high staff and parental engagement rate in all its programmes and initiatives. It has also been the top school in the country for academic achievement and attainment over the last 5 years and has been deemed 'The School Of The Decade' by The Sunday Times 2021. Paying the real Living Wage creates a true sense of hope and aspiration that inspires all, pupils, staff and parents to want to 'aspire to higher'.

The children of St Antony's have literally become the 'face and voice of the living wage' because they can attest eloquently, first hand, to the impact that the school's accreditation and that of major employers within the school's community, has had on their own families, and the real difference that this has made in their own lives. They have become passionate campaigners, whose awareness of the facts surrounding this issue is very high. It is for this reason that they have been instrumental in convincing many top employers such as The London City Airport and organisations such as the Newham Council to accredit. They did this by being the living examples and evidence of the positive outcomes that the decision to accredit can have on people's lives-even of those that exist in 'the most deprived wards' of the nation. Therefore, I will join my children, and encourage you all to get accredited and pay the real Living Wage to your staff to redress this imbalance that is rife in our society.

Nicola Noble, headteacher of Surrey Square Primary School – another Citizens UK member organisation – and also a part of the Making London a Living Wage City Steering Group, spoke about the necessity of both becoming Living Wage accredited and going a step further through her campaigning.

We have chosen to be accredited as a Living Wage Employer as we believe it's crucial to recognise and reward the hard work and dedication of those on our school staff who traditionally do the lowest paid jobs. These are the staff members without whom we couldn't function as an institution; those involved with the maintenance, upkeep, physical safety and cleanliness of our building and premises and those who provide, prepare and serve the food that we all eat. These jobs are often undervalued both through lack of status and lack of financial reward, though their importance was brought into sharp focus during the Covid-19 pandemic. These roles deserve to be acknowledged as fundamental to the very existence of the organisation and we would encourage our colleagues in other schools to demonstrate this by signing up to become a Living Wage Employer.

It's really important for schools and their pupils to get involved in campaigning for a real Living Wage, as it not only directly affects members of the school staff team, but also many parents. Children and their families will feel the impact of the increasing cost of living and need to know that they are not alone and that they deserve to earn a decent wage for the work that they do, often in undervalued jobs. Many school parents will work in zero-hours contract jobs and juggle employment with different organisations in order to earn enough, something that can create instability in the family, poor job satisfaction and low self-esteem. The benefits of mobilising people to advocate for themselves and others in seeking the living wage for everyone in their community is unifying and extremely powerful.

James Purnell, President & Vice-Chancellor of University of the Arts London (UAL) and Making London a Living Wage City Steering Group member, demonstrates the importance of higher and further education institutions becoming a part of the Living Wage movement.

We value everyone who works with us. That's why we guarantee fair pay through Living Wage accreditation. UAL has put social purpose at the heart of our strategy and we will embed it in everything we do.

UAL's directly employed staff and contracted staff have received at least the London Living Wage since 2014 and we will continue to apply the annual uplift to the Living Wage. The Living Wage principles are a standard section in our core procurement requirements and template contracts.

But workers can also struggle to get the number of hours they need to make ends meet. A commitment to Living Hours will guarantee the right to a minimum number of hours to outsourced staff as well as four weeks' notice before changes are made to their rota. We are currently conducting a pilot with our facilities management contract to meet the Living Hours standard and ensure predictable hours for our cleaners and facilities staff.

It's through the power of universities, schools, trade unions and faith organisations working together that we can begin to see our city change. Initially, that's about setting an example by accrediting as a Living Wage Employer – and then using our leadership to bring others on the journey. **The membership of London Citizens is incredibly diverse. Though it would be difficult to obviously see what might unite so many different groups, the Living Wage brings us together.**

PROJECT STEERING GROUP

9

The Steering Group's purpose is to support the project vision to make London a Living Wage City through providing advice on strategy and direction. Members of the group meet four times a year, working collaboratively with Citizens UK to promote the Living Wage and Living Hours in London.

The functions of the Group are to:

- Use their influence and authority to assist the project in achieving its outcomes
- Advise on the overall strategy and direction of the project
- Advise on the communication strategy for the project and promote through channels and networks to which they have access
- Review and approve the action plans submitted by sectoral action strands and the overall London action plan
- Provide strategic advice to create synergy and coordination between the action strands
- Oversee overall project progress through regular updates from the Chairs of the action strands

Members of the Making London a Living Wage City Steering Group have all made **ambitious commitments to use the levers for change to which they have access** to promote the Living Wage. We hope by sharing the co-chairs' commitments you might be inspired to join the movement and make your own. The appendix details commitments from the group's complete membership.

Mayor Sadiq Khan

- Continue to advocate for and champion the Living Wage in public, and lead by example from City Hall. The Mayor will continue urging business leaders and other employers to become Living Wage accredited, and promote it through economic his fairness programmes such as the Mayor's Good Work Standard.
- Ensure Living Wage is implemented and promoted throughout the GLA Group supply chain via the GLA Group Responsible Procurement Policy and Implementation Plan.
- Use his influence through mechanisms such as the London Recovery Programme, London Anchor Institutions Network, London & Partners, London Business Hub to encourage more major public and private organisations to accredit and activate their partners.
- Ensure that the GLA becomes accredited as a Living Hours Employer and Living Wage Funder.

Bishop Sarah Mullally

- Advocate for the Living Wage within the Church of England through mapping, website materials and training.
- Bring together faith groups across London to advocate for the Living Wage, including a multi-faith report on health inequalities and a speech at a multi-faith forum.
- Encourage schools within the London diocese to pay the Living Wage, focussing on subcontracted staff.
- Develop the collective voice of London bishops on the Living Wage.
- Consider using her position in the House of Lords to publicly support the Living Wage.

Anna Purchas, KPMG

- Use KPMG's convening power to connect people for careful debate.
- Continue to focus on securing accreditation of organisations throughout the KPMG supply chain.
- Encourage KPMG partners and staff to advocate for living wage accreditation at the schools and charities they support as governors and trustees.

**BEYOND LIVING
WAGE
EMPLOYMENT**

10

There's lots more that organisations can go beyond becoming accredited as a Living Wage Employer. As part of Making London a Living Wage City, we also want to see 10,000 people start to benefit from Living Hours accreditation.

Living Hours accreditation is open to all accredited Living Wage Employers; organisations must provide all directly employed staff who earn less than the real Living Wage x1.25 and regular, third-party contracted staff within scope of existing Living Wage accreditation with decent notice periods for shifts of at least 4 weeks; a contract that reflects the hours they regularly work; and a guaranteed minimum of 16 hours a week (unless workers request fewer).

Len (a pseudonym), a worker involved in a West London Citizens campaign, expresses the importance of Living Hours alongside improved pay:

I was working for years for various agencies on zero hours contracts. We are transferred onto new contracts every 4 years. When the pandemic hit, 200 of us lost our jobs in April 2020. They didn't place us on furlough. They said they would call us when things returned to normal. But they didn't call me. I have been struggling to pay rent and support my family. I am struggling to find a proper job. I work one month as a security officer, one month another job with agencies. The agencies are paying minimum wage, which is not enough to support me, my wife and my 3 children. I've never had a permanent contract. I would like a good Living Wage, permanent job with guaranteed hours so that I can stop worrying about how I can support my family all the time.

Through a commitment made by steering group co-chair Mayor Sadiq Khan, the **Greater London Authority (GLA)** is working to become accredited as a Living Hours Employer. In their words:

Ensuring that Londoners can access good quality jobs is fundamental to the capital's social and economic recovery from the impact of the pandemic, Brexit and cost-of-living crisis. As co-chair of the Making London a Living Wage City Steering Group, the Mayor of London has committed to leading by example for the organisations he oversees, establishing the Greater London Authority and its functional bodies as exemplar employers.

While all the functional bodies are already accredited Living Wage employers, good work is about more than just fair pay. The Mayor has reiterated his commitment to making the GLA a Living Hours employer and to exploring its implementation across the GLA Group and its supply chain, including through the GLA Group Responsible Procurement Policy and Implementation Plan.

The Mayor of London's Living Wage and Living Hours commitments build on the principles of the Mayor's Good Work Standard (GWS), an accreditation programme for businesses modelling best practice in pay, contracts, workplace well-being, skills, progression, diversity and recruitment.

Living Wage Funders are Living Wage Employers who seek to ensure their grant-funded posts are funded at the Living Wage where possible and support grantees to become Living Wage Employers. Find out more at the Living Wage Foundation website here: <https://www.livingwage.org.uk/how-become-living-wage-funder>.

Our funder, **Trust for London, is a part of this scheme.** They have said:

We can do more than just give money. Foundations like us can be part of the problem if our funding doesn't enable charities to pay decent wages. That's why we will continue to push our peers to back the real Living Wage, and ask that they too become campaigners for economic justice in our city.

SECTOR ACTION STRANDS

1 1

Central to the delivery of Making London a Living Wage City is a series of sector or thematic Action Strands focussing on specific aspects of the low paid economy across London. These strands have their own leadership groups, and their chairs attend and report into broader Steering Group meetings. Our current sector priorities are health and social care and hospitality and service provision. We are in the process of establishing an action strand concentrated on the creative and cultural industries.

Starting action in a sector is decided through considering a combination of the following factors: impact on low-paid workers, community listening and leadership, communications and potential for public celebration, business leadership and advocacy, potential to mobilise other levers of change.

HEALTH AND SOCIAL CARE

Action so far

- Since the Action Strand formed in May, chaired by David Bradley, 15 new employers in health and social care have accredited with the Living Wage Foundation and this has resulted in a pay uplift for 2,890 workers.
- We have developed a form of recognition for the newly formed Integrated Care Systems (ICSs) to commit to the Living Wage. We will pilot this recognition with 2-3 ICSs before aiming to have all 5 bodies in London signed up, and rolling this scheme out nationally.
- A letter has also been sent out to all London NHS Trusts (on behalf of David Bradley, the Mayor of London, and the Regional Director of NHS London) and all London local authorities (on behalf of David Bradley), informing them of the work underway. We have already seen NHS Trusts enquire with the Living Wage Foundation about accreditation, citing this letter as their rationale.

Accreditation targets

Notable employers including (but not limited to):

- London ICSs
- Remaining unaccredited London NHS Trusts
- Health Education England
- NHS England and Improvement

Bearing in mind incremental growth of previous years, we would aim to see accreditation growth of 30 employers in year 1, 35 employers in year 2, and 40 employers in year 3 of the action plan

Key activities

- **Intelligence gathering and research**

- NHS: data collection to ascertain the number of staff/roles that are outsourced at Trusts and in primary care, and the number of staff paid below LW in order to understand the barriers to LW adoption
- Social Care: commission research to understand the proportion of social care workers that are paid below the Living Wage, as well as identifying the local authorities that have made contractual commitments to funding the LW

- **Raising awareness and sharing resources**

- NHS: identify opportunities to hold events (including a celebratory event for South East London ICS becoming recognised) at ICS level; run workshops through the Training Hubs and Primary Care Anchor Networks
- Social Care: raise awareness of the disparity between NHS staff and social care staff pay, as well as the practicalities of running services through the production of cases studies of good commissioning practice

- **Building relationships and targeting specific employers**

- NHS: target significant NHS Trusts by engaging the Chairs and CEOs of all NHS Trusts through the action strand's networks; be seen to 'walk the walk' and accredit Health Education England and NHS England and Improvement
- Social Care: collaborate with local authorities' Community Wealth Building and Inclusive Economies teams to share best practice of paying Living Wage rates through commissioning contracts

HOSPITALITY & SERVICE PROVISION

Action so far

- The Action Strand is now up to 20 members, consisting of a mixture of private sector representatives, union and community organising groups, and trade bodies, chaired by Rosie Ferguson and Phil Smith. Since November 2021 we have seen an increase in Living Wage Employer accreditations in the hospitality, cleaning and security sectors by 60% in London (112 to 185). The group is now in the process of setting personal pledges.
- The Living Wage Foundation and Citizens UK carried out a listening campaign in South London with a focus group consisting of Latin American female cleaners. This exercise highlighted the issues within the sector and effect of low pay among these women in their personal and professional lives. Their stories were recorded and presented to the Action Strand.

Accreditation targets

- Accreditation targets will be set for the following year, given the current market position. These targets will reflect an ambitious aim for increasing the number of accredited Living Wage Employers in the sector across London. The group will also seek to identify a pilot for Living Hours within this sector to better understand how secure hours can be implemented in work that historically relies on zero hour/insecure contracts.

Key activities

- **Research** – given the current economic context, the need for building a business case towards accreditation is vital. The first year of the action plan will focus on this. One area of potential research is to create the cost-benefit analysis of paying a real Living Wage versus not paying it and the cost experienced by businesses through staff turnover, recruitment costs and absenteeism etc.
- **Building a network of influencers** – this Action Strand is made up of some of the most hard-to-reach sectors. Building a network of businesses and spokes people to advocate for a real Living Wage will help influence peers and potentially support in widening the Living Wage network. Part of this will also include identifying household names to target for accreditation and action.

LOCAL ACTION

12

Local Authority Achievements

Making London a Living Wage City **builds on a range of flourishing local work** across London. Through this project, we hope that local groups will recognize and take advantage of opportunities to work together to ensure the campaigns are strengthened through collaboration and co-working.

Councils in all areas of London made ambitious commitments at 2022's Accountability Assemblies held by their local Citizens UK Alliances and are working closely with the Living Wage Foundation to implement them. Here, we are highlighting some of this impressive work.

Local Authority Accreditation

An impressive number of London Local Authorities have already taken the step to become Living Wage Accredited employers, using their power as local anchor institutions to promote the real Living Wage locally.

These are: **Barking and Dagenham, Brent, Camden, City of London, Croydon, Ealing, Enfield, Greenwich, Hackney, Hammersmith and Fulham, Haringey, Harrow, Hounslow, Islington, Kensington and Chelsea, Kingston, Lambeth, Lewisham, Newham, Redbridge, Richmond, Southwark, Tower Hamlets, Waltham Forest, Westminster.**

Those Councils who have committed to accredit as Living Wage Employers are **Barnet, Sutton, Wandsworth, Merton.**

In recognition of the cost of living crisis, many Councils have already implemented accreditation commitments. **Ealing, for example, has already implemented an uplift for direct payment recipients for social care.**

Ross Garrod, leader of Merton Council, said:

At Merton we're proud to be championing the London Living Wage and will be an accredited employer in early 2023. Not only have we committed to paying the living wage as a direct employer, but we're also embedding this into all our supplier contracts, ensuring thousands of local workers can afford a decent standard of living. We have also appointed a London Living Wage Champion in Councillor Billy Hayes to promote the London Living Wage in the borough.

Living Wage Places, Zones and Buildings

There are a number of recognised Living Wage Place Action Groups in London – those that have already been established with Living Wage accredited employers, Civil Society leaders and workers and have submitted a three-year Action Plan. These are **Southwark, Islington, and the Royal Docks (Newham).**

Reflecting on his borough's journey to become a Living Wage Place, **Cllr Martin Seaton, Southwark's Cabinet Member for Jobs, Business & Town Centres**, said:

We have long believed a hard day's work deserves a fair day's pay, especially as the cost of living soars. Everyone wins when people are paid the real Living Wage: staff, employers, the local economy and therefore our residents. Building on the borough's success so far, we are committed to doubling the number of Living Wage employers in Southwark.

Lewisham, Lambeth, Greenwich, and Ealing have committed at Citizens UK Accountability Assemblies to working towards Living Wage Place recognition.

Councillor Irfan Mohammed, Deputy Cabinet Member for Business in Lambeth, said:

We want to make sure that everyone in Lambeth earns a fair day's pay for a fair day's work. To make that a reality we are building on our award-winning work as a Living Wage council, to make our borough a London Living Wage place and work with our major employers to get them accredited by 2026.

Beyond Living Wage Places, London is home to a wealth of other creative local work. **The Royal Borough of Kingston-Upon-Thames**, for example, has committed to establishing Living Wage Zone.

Councillor Noel Hadjimichael, Kingston's Portfolio Holder for Assets, Leisure and Commissioning, explained:

We have made great strides since being accredited and are determined to keep building on this progress, maintaining our commitment to raising living standards for employees. Fair and sustainable wage outcomes make for a fairer Kingston.

Council suppliers paying the Living Wage have more than tripled since our accreditation in 2019 and the number of contracted staff within Kingston's supply chain who are now paid the real Living Wage increased by 600% in the same period of time, reaching nearly 9,500 to date.

The Council is currently working on creating a Living Wage Zone to ensure the Living Wage is embedded in agreements and contracts throughout all tiers of the supply chain and all labour agencies on major development projects in the borough.

Paying a Living Wage isn't just beneficial to employees – it also benefits employers, as it improves staff motivation and retention and boosts an organisation's reputation. It has been brilliant to see more suppliers follow our example.

Developing leaders and strengthening institutions

Low-paid workers and their allies are at the heart of Making London a Living Wage City. To ensure we are building their skills, knowledge and power, leadership development training for workers and allies is a critical part of this project.

We are working with a selected set of civic institutions to **identify worker-leaders, listen to their experiences and ambitions, and host trainings**. Taking place across London, these trainings will support participants to develop their knowledge of workers' rights and the Living Wage Campaign, help them respond to the cost of living crisis and learn community organising skills. We will take the opportunity to test out innovative training methods like participatory theatre.

By developing the leadership skills of workers, we will be helping them to participate fully in the campaign: **it will be these workers who will carry the campaign into the future**. If you have ideas for training workshops, institutions who would like to support or potential participants for the trainings email dermot.bryers@citizensuk.org.

We have also **put the civic institutions that make up the membership of Citizens UK at the heart of this project**. We have built a framework to assess and build their strength, so these influential institutions can evaluate how well community organising has been built into their culture. This will form a set of markers that organisers and community leaders can use to embed organising in a diverse set of institutions around London.

Appendix: Steering Group commitments

12

Each member of our project Steering Group has made exciting commitments to use their influence, networks and expertise to expand the real Living Wage across the city.

Rabbi Miriam Berger, Finchley Reform Synagogue

- Work out which congregation members are employers and encourage them to accredit.
- Link up with other synagogues and faith institutions doing similar work.
- Hold the newly Labour-led Barnet Council for their pledge to make Barnet a Living Wage borough.

David Bradley, South London and Maudsley NHS Foundation Trust

- Serve as co-chair of Health and Social Care action strand.
- Send a letter co-signed by the Mayor and senior London NHS figures to London NHS trusts asking to accredit.
- Explore the possibility of becoming Living Hours accredited.
- Increase the number of people with a long-term mental illness in employment with employers paying a real Living Wage.

Jose Mendes, Citizens UK worker-leader

- Champion workers, and fair working practices.
- Continue to remind the group of the impact on workers of low pay, low hours and insecure jobs.
- Feed back from his community about the importance of ending zero hours contracts and a race to the bottom of outsourcing contracts.

Angela Moore, St Antony's Catholic Primary School

- Continue to challenge the status quo, and to talk to other headteachers to encourage them to accredit as Living Wage employers.

Sam Gurney, Trades Union Congress

- Bring unions into the Making London a Living Wage City project.
- Map low pay in London.

Manny Hothi, Trust for London

- Provide data on low pay in London.
- Use Trust for London's power as an investor to push for change.

Klara Skrivankova, Trust for London

- Challenge the attitude that third-sector staff should accept low pay because their jobs are fulfilling.
- Challenge funders in London to become Living Wage Funders.
- Have conversations with professional businesses in their supply chain, such as lawyers and financial advisors.

Angela Jain, ITV Studios

- Encouraging everyone they work with to become a Living Wage employer by making the business case.

James Purnell, University of the Arts London

- Ensure UAL becomes Living Hours accredited.
- Champion accreditation for London universities.

Matt Thomas, Restaurant Associates

- Demonstrate through a real time case study that businesses can't afford not to honour the real Living Wage, i.e. its payback is through the retention and effectiveness of happier employees.

Nicola Noble, Surrey Square Primary School

- Spread the message about the importance of the real Living Wage in the schools sector.
- Harness the power of children's voices and challenge the idea that people should be grateful for what they have.
- Continue training pupils in her school to become community activists.
- Consider how to engage other schools and the charities working with its parent community.

Angela Fields, Citizens UK worker-leader

- Continue working hard to make Royal Docks a Living Wage Place.

Saker Nusseibeh and Leon Kamhi, Federated Hermes Investment

- Engage with companies to pay a living wage to workers in London and elsewhere.
- Work with others to develop the business case using evidence of the benefits of real Living Wage contracts for business performance including higher productivity and lower turnover.
- Incorporate the real Living Wage in Hermes' 'just transition' engagement.
- Ensure a living wage is paid to all Federated Hermes Limited workers whether employed directly or via an outsourcing firm.

Gina Rodríguez, Citizens UK worker-leader

- Ensure the Steering Group remembers cleaners, who are essential to all workplaces.

Amy Lamé, London Night Czar

- Advocate for the Living Wage through speaking and media engagements, Night Surgeries, the Night Time Borough Champions Network and the Night Time Policy Forum.
- Advocate for more businesses to become Living Wage employers through GLA led programmes such as Night Time Enterprise Zones and the Business Friendly Licensing Fund.
- Support the Living Wage Foundation to carry out research on the reasons why so many night time employers, such as hospitality, cleaning and security businesses, do not pay the Living Wage.

Rosie Ferguson, House of St Barnabas

- Co-chair the hospitality and service provision strand.
- Ensure that the real Living Wage is present and profiled through ACEVO.
- Use the platform and networks of House of St Barnabas to convene hospitality employers in meaningful debate on barriers and opportunities to pay London Living Wage.

Phil Smith, the Hill Club

- Chair the Hospitality and Service Provision Action Strand.

Mary Durcan, City of London Corporation

- Ask a question at the Court of Common Council about the role of the City in the Living Wage.
- Promote the real Living Wage through communications with other organisations and companies in the City.

***citizens*uk**

Citizens UK

130 Cavell St, E1 2JA, London

020 7043 9881

www.citizensuk.org

communications@citizensuk.org