

Item No. 8.	Classification: Open	Date: 24 March 2020	Meeting Name: Cabinet
Report title:		Living Wage Place Action Plan	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Jobs, Business and Innovation	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR JOBS, BUSINESS AND INNOVATION

Being paid a decent wage for a decent day's work is a fundamental right. We know when people have quality well paid jobs that they thrive. In 2012 the Council made the decision to become a Living Wage Employer and aims that all of our contractors to pay London Living Wage. This is embedded in our Fairer Future Procurement policy.

We have a bold commitment to double the number of employers who pay London Living Wage in Southwark and since 2012, 3,387 employees have received a pay rise through working for a Living Wage accredited employer. We can not underestimate the positive difference this has made to many of our residents, but we need to go further in promoting London Living Wage and ensuring that as many residents benefit from working for a Living Wage Employer.

To this end we have made the decision to apply for accreditation from the Living Wage Foundation to become a Living Wage Place and this report sets out our commitment to promote the Living Wage across Southwark and our Action Plan for delivery.

I want to thank the members of the Living Wage Steering Group who have helped shape the action plan and for their ongoing commitment to making Southwark a Living Wage Place.

RECOMMENDATION

1. That Cabinet approves the draft 'Southwark Living Wage Place Action Plan' to make Southwark an accredited Living Wage Place, as set out in Appendix 1.

BACKGROUND INFORMATION

2. Southwark Council became a Living Wage accredited employer in 2012. Since then the council has committed to helping residents and employees in the borough get a fair day's pay for a fair day's work. Highlights of the council's campaign to promote the London Living Wage include:
 - Winning the Living Wage "Places Champion Award" in 2019
 - Committing to doubling the number of Living Wage employers by 2022 from a 2018 baseline of 121 employers

- Working with the Living Wage Foundation to create a model for Living Wage Neighbourhoods and committing to rolling out Living Wage Neighbourhoods across development sites
 - Implementing an apprenticeship programme for employers which actively promotes the Living Wage for apprentices working in the borough
 - Implementing a paid internship scheme paying a Living Wage for 500 young people from low income backgrounds
 - Celebrating local organisations that are accredited Living Wage employers in 'Living Wage Week'
 - Implementing the Ethical Care Charter that guarantees a Living Wage for home and residential care workers
 - Becoming a 'Living Wage Friendly Funder' - This means we support charities to pay the real Living Wage through our grants, to help end low pay in the charity sectors
3. To drive further improvement in this area the council has led the development of Southwark's Living Wage Place Action Plan (Appendix 1). This makes Southwark an accredited Living Wage Place and commits the partnership to increase the number of:
- Living Wage accredited local organisations
 - people working for a Living Wage accredited organisations
 - people who receive a wage uplift as a consequence of their employer becoming Living Wage accredited
4. The Living Wage Place accreditation scheme has been developed by the Living Wage Foundation (LWF) as an area based approach aiming to drive uptake of the the real Living Wage by local employers. This is achieved by local organisations and employers coming together and using their collective power and influence to promote Living Wage accreditation; tackling low pay and the inequality it creates.
5. Dundee and Cardiff are the only two cities to be recognised as Living Wage Places; currently no other London boroughs or local authorities have been recognised as Living Wage Places.
6. Living Wage Place accreditation requires a local area to form a partnership and develop an action plan that details the current Living Wage landscape, the principles for how the partnership will approach increasing Living Wage take up and specific actions for the partnership.
7. Action plans must include specific targets based on local data and research. Measures to be included in the action plan (as set by the LWF) are 'number of accredited real Living Wage employers', 'total number of workers employed by accredited real Living Wage employers' and the 'number of workers receiving a pay rise on to at least the real Living Wage'. The action plan will then set out the specific approach and actions to deliver against these targets and engaging with target sectors and employers.
8. Living Wage Place action plans are 'living documents' giving the opportunity for

accredited areas to continuously evaluate and develop their approach to achieving their targets. Southwark's Action Plan will complement the council's broader priorities on the Living Wage, including promoting the Good Work Standard and delivering on our Social Regeneration Charters.

9. In order to develop a locally owned and delivered action plan a Steering Group has been set up. Steering Group members have been responsible for setting the Action Plan's strategic approach and will continue to lead and oversee its delivery and evaluation; the Steering Group is chaired by the Cabinet Member for Jobs, Business and Innovation. The Steering Group is well attended and includes the following organisations:
 - Southwark Council
 - London South Bank University
 - Team London Bridge Business Improvement District (BID)
 - Better Bankside BID
 - South Bank Employers Group
 - Kings College
 - Citizens UK (Living Wage Foundation parent charity)
 - St Giles Trust
 - Essentia (Non-clinical arm of Guys and St Thomas' NHS Foundation Trust)
 - British Land
 - Lendlease
 - Southwark News
 - SGTO (Southwark Group of Tenants Organisations)
 - Dulwich Hamlet Football Club.
10. The Steering Group first met in July 2019 and there has been three subsequent meetings. It currently meets every four to six weeks. The Living Wage Foundation (LWF) provides strategic oversight of the group.
11. Membership of the group is not static, and will continue to evolve as the Action Plan develops and is implemented.
12. The council's Fairer Future Procurement Framework was approved by cabinet in June 2019 and covers the commitments to procurement and contracts, including the Living Wage. It is the framework whereby the council's policies are highlighted internally to officers and to external organisations.

KEY ISSUES FOR CONSIDERATION

13. The Action Plan identifies baseline information, numerical targets, principles defining Action Plan delivery and a three year action plan of specific activity. Through the plan, all partners want to harness local assets and use resources effectively to achieve the targets set. The following paragraphs summarise the Action Plan.
14. Baseline information

Data shows that 31% of households in Southwark are living in relative poverty, this is the twenty-fifth highest out of the 32 London boroughs¹. The proportion of residents paid below the London Living Wage (LLW) is 19%, we estimate that

¹ Trust for London

37,000 residents are being paid below the LLW. The Action Plan aims to reduce the proportion of Southwark residents living in poverty and reduce the prevalence of low pay by applying pressure to local employers both big and small that are based in the Southwark to pay the LLW.

15. Principles defining the Action Plan

i. Grounded in the experiences of people affected by low pay

At the heart of the Action Plan, the Steering Group will seek to involve those affected by low pay. This will ensure it's relevance to people who are experiencing the challenges and a greater impact.

ii. Underpinned by robust and current evidence

In order to evaluate the successes and challenges with delivering the Action Plan the Steering Group will engage with an independent academic research partner to provide robust analysis of the impact of the Action Plan. In order to maintain relevance, the Action Plan will be adaptable to changes in the political, social and economic landscape of Southwark.

iii. Complementing Living Wage Foundation work and Steering Group member priorities

The Action Plan has been developed in conjunction with the Living Wage Foundation and Steering Group members, its ambitious targets will complement and build upon existing work by individual Steering Group members. The members will continue to work together and support local activity.

iv. Prioritising activity according to impact and level of challenge

In order to achieve the best outcomes, activity has been prioritised according to the impact it will have on the number of people paid the Living Wage and the challenge with accredited organisations.

v. Adopting a sectoral approach

In addition to this, the Action Plan will consider various sectors differently. Based on factors such as the sector's Living Wage accreditation prevalence, relationship with Steering Group members and geographical location in Southwark.

16. Targets

The Steering Group have set preliminary targets based on the following information:

- Analysis of the Living Wage Foundation's previous achievements in Southwark
- Discussion with Steering Group partners
- Advice from the Living Wage Foundation

These targets can be amended as the Action Plan develops and as Steering Group members and organisations establish how much resource can be committed to the implementation of the Action Plan.

In summary, the targets of the three year Action Plan are:

- An increase in number of accredited real Living Wage employers from 171 to 300 (129 employers; business as usual activity would have seen 60 further accreditations). By the end of year 2 of the Action Plan, January 2022, we aim to have achieved a total of 257 accredited Southwark employers, this will ensure we fulfill the Council Plan commitment of 242 accredited employer by April 2022.
- An increase in the number of people working for a Living Wage accredited organisations from 42,811 to 63,000 (20,189 people; business as usual activity would have seen an increase of 16,053 people)
- An increase in the number of people receiving a wage uplift as a consequence of their employer becoming a Living Wage accredited employer from 3,387 to 4,500 (1,113 people; business as usual activity would have seen an increase of 318 people)

17. Three-year Action Plan

Activity will fall under the following categories:

i. Work with existing accredited and non-accredited Living Wage organisations

Engaging with organisations:

- who are likely to already be paying the London Living Wage to the majority of their employees
- who have previously been accredited but are no longer
- could become Champions of the Living Wage in their sector or geographical area.

Activity will focus on removing barriers to accreditation, distilling myths about the Living Wage and building relationships with local employers.

ii. Showcasing the benefits of the Living Wage

Engaging with organisations who:

- are likely to not to have heard of the Living Wage (such as start ups)
- smaller organisations in sectors where low pay is prevalent

Activity will focus on promoting the Living Wage as a tool to attract and maintain the best staff and more customers.

iii. Using Steering Group influence

Engaging with organisations who:

- are likely to be larger employers

- are key partners in Steering Group supply chains, or local regeneration partners (in the case of Southwark Council).

Activity will focus on Steering Group members' policies and practices when engaging with their key partners.

iv. Continuous improvement

The Steering Group will work with an academic partner in order to develop a robust evidence base to demonstrate the impact our work is having. The Steering Group will also reflect and learn from activity in order to drive continuous improvement.

18. The council has already set in motion a number of actions that will form part of the delivery plan. These include but are not limited to:
- i. Developing an accreditation incentive scheme supporting Southwark businesses with the cost of Living Wage accreditation
 - ii. Southwark Works employment support providers promote Living Wage accreditation through their conversations with employers
 - iii. Implementing the council's Social Regeneration Charters across the borough, a cornerstone of this is the creation of Living Wage Zones, focusing on key areas such as the Old Kent Road and Canada Water.
 - iv. Promoting the Living Wage through Business Rates communications and through the annual Business Conference.

Policy implications

19. The Action Plan is in line with the proposed Council Plan 2018-22 and Economic Wellbeing Strategy.
20. The delivery of the Action Plan will contribute to achievements under the council's commitment of 'A full employment borough':
- Double the number of employers who pay the London Living Wage and make Old Kent Road and Canada Water London Living Wage Neighbourhoods
21. The Fairer Future Procurement Framework sets out the council's approach to procurement and it's social value considerations including payment of the London Living Wage and also highlights the introduction of the Major's Good Work Standard.

Community impact statement

22. In developing the Action Plan the Steering Group has been examining which demographic groups are more likely to be affected by low pay; and the sectors that low pay is more prevalent. Sectors will be targeted accordingly in the delivery of the Action Plan.

Resource implications

23. Southwark's Living Wage Place Action Plan sets out the core ambitions and targets for what the council and the Steering Group will achieve over the next three years. The council's contribution to the Action Plan will be met from within existing resources. Agreement of any new and where necessary redirection of

existing funding, if this arises, will be undertaken in line with the council's normal resource setting processes to which the funding relates.

24. Officer time to deliver the Action Plan will be contained within existing resources.

Legal implications

25. None

Financial implications

26. There are no immediate financial implications arising from this report.

Consultation

27. The Action Plan has been developed through extensive consultation and input from Steering Group members (para 9) and relevant internal officers. Engagement will continue as the Action Plan is implemented and reviewed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

28. The director of law and democracy notes the contents of this report which seeks the Cabinet's approval of the 'Southwark Living Wage Place Action Plan' to make Southwark an accredited Living Wage Place. This is in line with the Council Plan for 2018 – 22 and as well as its Fairer Futures Procurement Framework. In delivering its commitments, the council must ensure compliance with all applicable EU and UK legislation and guidance including the Public Contracts Regulations 2015.

Strategic Director of Finance and Governance (FC19/034)

29. The report is requesting the cabinet to approve the draft 'Southwark Living Wage Place Action Plan' to make Southwark an accredited Living Wage Place, as set out in Appendix 1.
30. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report.
31. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.
32. The strategic director of finance and governance notes the recommendations of this report for the approval of the Living Wage Action Plan that is in line with the agreed approach in the Fairer Future Procurement Framework (FFPF) and incorporation of council commitments throughout the procurement process.
33. It is not expected that any activity will have an immediate impact on budget or spending requirements. Procurement or in house delivery carried out in accordance with the FFPF is to be achieved within existing council budgetary allocations.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Living Wage Places: A Toolkit on Tackling Low Pay by Celebrating Local Action	Chief Executive's Officer Fifth Floor, Hub 4 160 Tooley Street SE1 2QH	Liz Gardiner 020 7525 0283
Link (please copy and paste into your browser): www.livingwage.org.uk/sites/default/files/LWP%20Low%20Pay%20Local%20Actions%20Report.pdf		
Fairer Future Procurement Framework	Procurement Advice Team 2nd Floor, Hub 1 160 Tooley Street SE1 2QH	Elaine McLester 020 7525 7733
Link (please copy and paste into your browser): https://www.southwark.gov.uk/assets/attach/10851/Appendix-1-Southwark-Council-FFPS-2019-Update-v2.pdf		

APPENDICES

No.	Title
Appendix 1	Southwark Living Wage Place Action Plan
Appendix 2	Living Wage Place EIA

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Jobs, Business and Innovation	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Liz Gardiner, Senior Strategy Officer, Local Economy Team James Reed, Project Management Higher Apprentice, Local Economy Team	
Version	Final	
Dated	24 February 2020	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	13 March 2020	