

Southwark Living Wage Places Application

February 2020

Contents

Developing Southwark’s Action Plan2

Southwark’s Living Wage evidence base5

Action Plan targets8

Prioritising activity9

Three year Action Plan 14

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Developing Southwark's Action Plan

The applicant

This application for 'Living Wage Place' status is made by the Southwark Living Wage Place Steering Group. See Table 1 for the full list of the public, private and third sector organisations making up the Steering Group.

Definition of place

This is an application for Southwark to be recognised as a Living Wage Place. The geography of this Living Wage Place will be the administrative boundary of the London Borough of Southwark, as demonstrated in Figure 1.

Figure 1: The London Borough of Southwark



Steering Group members

In order to develop a locally owned and delivered Action Plan a Steering Group has been established to oversee the development and delivery of this Action Plan.

Steering Group members have been responsible for setting the Action Plan's strategic approach and will continue to lead and oversee the delivery and evaluation of the Action Plan.

With the aim of ensuring the Steering Group remains relevant to both local businesses and people experiencing low pay, membership of the group is not static, and will continue to evolve as the Action Plan develops and is implemented.

A committed partnership driving uptake in the Living Wage

Our Steering Group has been leaders and key influencers on the Living Wage agenda. Southwark is a borough committed to developing good jobs; our track record includes work done by the:

- Southwark Skills Partnership
- Southwark Apprenticeships Standard and employer engagement campaign
- Construction Skills Centre
- Four Borough Hospitality Skills study

Some highlights of work members have achieved through implementing the Living Wage include:

Since 2012, **Southwark Council** has committed to helping residents and employees in the borough get a fair day's pay for a fair day's work. The council won the Living Wage Foundation's "Places Champion Award" in 2019 in recognition of the high-profile events and campaigns the council has convened, bringing together businesses, neighbouring boroughs and other partners to champion the Living Wage.

King College London became Living Wage accredited in 2018. Since this, Kings have committed to bringing security and cleaning staff in house.

St Giles Trust is a charity using expertise and real-life past experiences to empower people who are not getting the help they need. The organisation became Living Wage accredited in December 2018; the most significant impact of this has been on their community café staff who are ex-offenders.

As part of its manifesto **South Bank Employers Group** has committed to use its influence and leadership to 'Support Living Wage South Bank which helps those employers that are looking to secure Living Wage accreditation'.

Table 1: Steering Group members

Member	Organisation	Position
Cryss Mennaceur	London South Bank University	HR Services Manager
Nadia Broccardo	Team London Bridge BID	Chief Executive
Nicole Gordon	Better Bankside BID	Deputy Chief Executive
Nic Durston	South Bank Employers Group	Chief Executive
Sarah Guerra	Kings College	Director of Equality, Diversity and Inclusion
Tyler John	Kings College	Diversity & Inclusion Project Intern
Claire Arkwright	Citizens UK	Southwark Community Organiser
Cllr Stephanie Cryan (Chair)	Southwark Council	Cabinet Member for Jobs, Business and Innovation
Danny Edwards	Southwark Council	Local Economy Team Manager
Aine Gallagher	Southwark Council	Principal Public Affairs Officer
Tim Cutts	Southwark Council	Regeneration Team Leader
James Deller	Essentia (Non-clinical)	Head of Training Academy and Talent
Vanessa Pilla	Lendlease	General Manager, Socio-Economic Development
Eleanor Wright	British Land	Head of Community – Canada Water/BTR
Stellamaris Mohammed	St Giles Trust	Head of Human Resources
Chris Mullany	Southwark News	Managing & Commercial Director

Statement of intent

By becoming a Living Wage Place, Southwark is demonstrating a commitment to tackling low pay and improving the quality of work for people across our borough.

As employers, we are committed to paying our staff the real Living Wage and acting as champions and advocates to encourage the uptake of the Living Wage in Southwark.

As a Living Wage Place, Southwark is harnessing the power of local employers, communities and people to help extend the Living Wage to more workers and lift more people out of poverty.

Principles of the Action Plan

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

At the heart of delivering 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.

2. 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 or economic landscape of Southwark.

3. 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.

4. 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 level of challenge accreditation poses for an organisation.

5. Adopting a sectoral approach

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

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Southwark's Living Wage evidence base

Population overview

Southwark is an inner London borough with a current population of 317,300¹, this is estimated to grow to 373,000 (18%) by 2030².

The median age of Southwark residents is 33.1 years; this is almost seven years younger than the national average. This is driven by a large number of young adults in their 20s and 30s³. Southwark has 194,200 residents who are economically active⁴.

Estimates from 2018 show that 240,000 people are currently employed in the borough, evidence of a net migration into the borough for employment⁵. The business landscape of the borough is characterised by the following:

- Commercial district in London Bridge, UK headquarters of professional services organisations such as EY and Norton Rose Fullbright
- Logistics and manufacturing in Old Kent Road – Regional Hubs for DHL and FM Coway
- Of the 18,320 businesses located in Southwark, 15,185 are microbusinesses with 0-9 employees⁶.

Southwark is an ethnically diverse borough, just over half (54%) of Southwark's population is of white ethnicity, a

quarter (25%) black and a third of Asian (11%) or other (10%) ethnicities⁷.

There is large amount of regeneration in the borough, most notably at Canada Water, Old Kent Road and Elephant and Castle. This poses both challenges and opportunities, a priority for this regeneration is the need to ensure regeneration provides inclusive growth for all residents in Southwark. The council has specific commitments to make sure Living Wage is delivered through these regeneration areas. This will build on success in the construction phase of Elephant Park, where Lendlease and their supply chain paid all 1,400 workers the Living Wage.

Employment landscape in Southwark

Figures 2 and 3 demonstrate that the borough is particularly well served by professional, scientific and technical (PST) jobs (56,000) this is followed by administrative and support service jobs (26,000). As a proportion of jobs in Southwark, PST roles make up a large percentage when compared to the rest of the country, 23% in Southwark vs 9% in Great Britain. Information and communication roles are also well represented with 10% in Southwark and 4% in Great Britain.

Information in Figure 2 and 3 represents data for jobs in Southwark as opposed to resident jobs.

¹ Nomis: ONS Population estimates - local authority based by five year age band –

www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx?town=Southwark#tabempunemp

² GLA Borough Preferred Option Population Projections 2015 <https://data.london.gov.uk/dataset/gla-population-projections-custom-age-tables>

³ ONS mid-year resident population estimates released June 2018

www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2018

⁴ Nomis:

www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx?town=Southwark#tabempunemp

⁵ JSNA, factsheet Southwark - www.southwark.gov.uk/health-and-wellbeing/public-health/health-and-wellbeing-in-southwark-jsna/southwark-profile

⁶ London Councils 'London Borough Business Profiles Southwark'

www.londoncouncils.gov.uk/sites/default/files/Southwark%20report_IM.pdf

Figure 2: Labour demand in Southwark by industry (number of jobs)

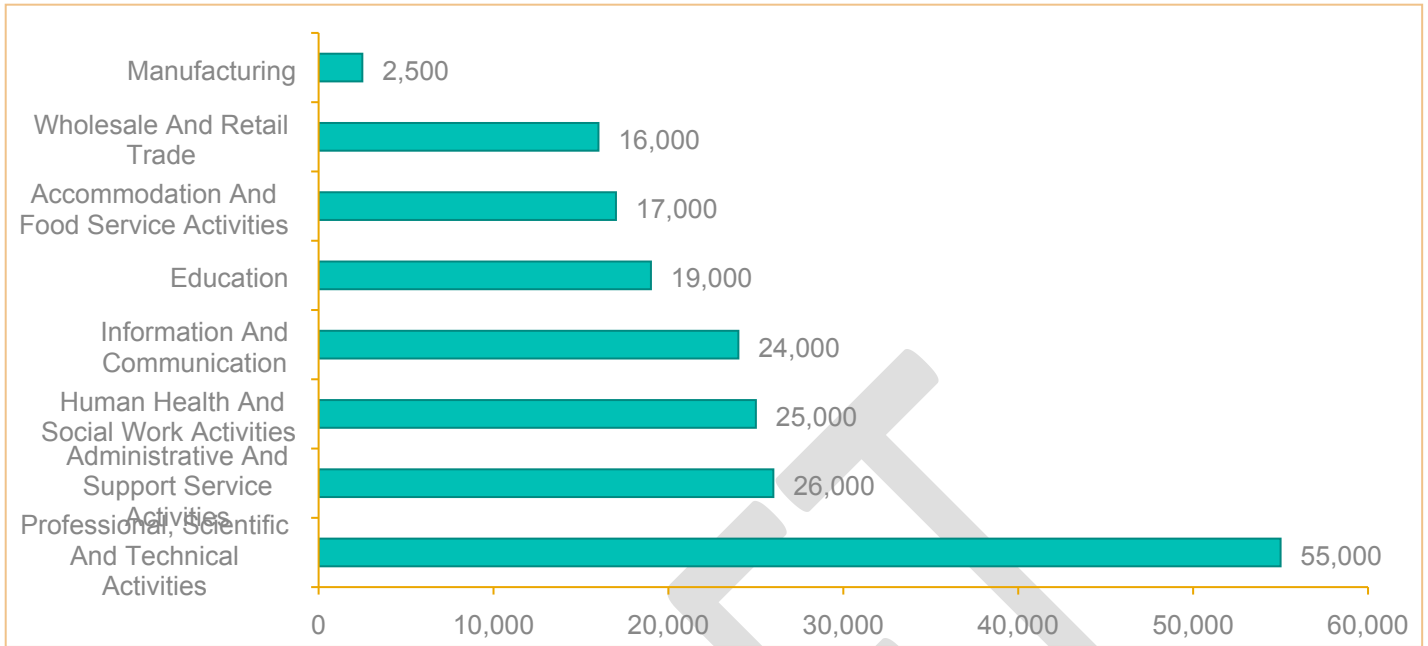
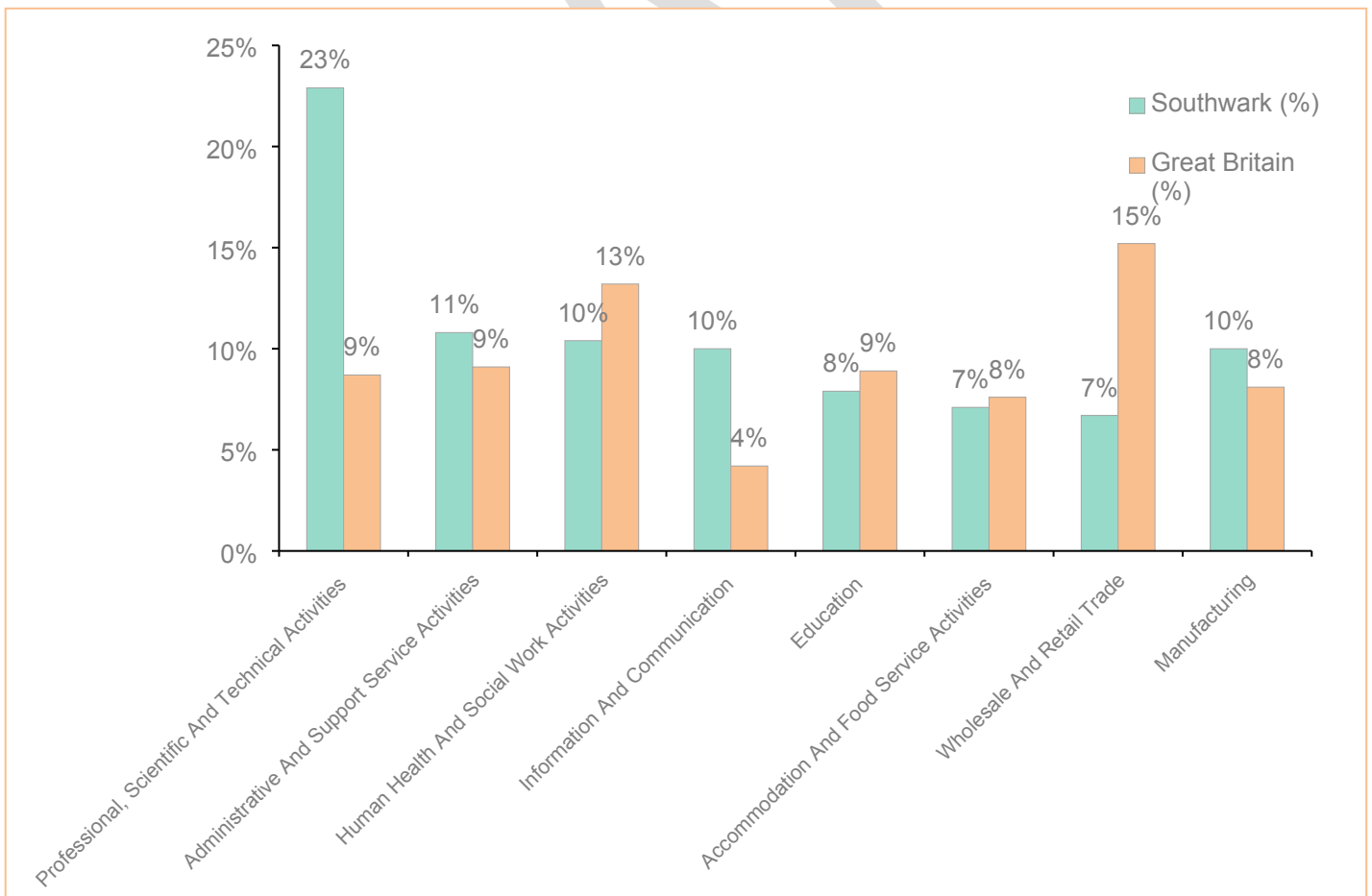


Figure 3: Labour demand in Southwark by industry as % in Southwark vs Great Britain



Educational attainment

Southwark has a highly educated workforce with 64% of its residents aged between 16-64 educated to NVQ4 and above (39% for UK); only 6% have no qualifications compared to 8% nationally⁸. Assuming a positive correlation between education levels and wages this is positive characteristic of the borough. An estimate of average hourly pay of those employed in Southwark being £18.72 compared to an average in GB of £14.88⁹.

Unemployment and poverty

Southwark has a relatively high unemployment rate of 6.51% this is the 29th highest percentage out of the 32 London boroughs¹⁰. There is also high poverty rate with 31% of households living in poverty (after housing costs) ranked 25th highest percentage out of the 32 London boroughs¹¹.

Despite the many strengths of the local economy there is a prevalence of low pay; the proportion of residents paid below the London Living Wage is 19%, from this we can estimate that approximately 37,000 residents are being paid below the London Living Wage

Baseline Living Wage coverage¹²

- 171 accredited Living Wage Employers headquartered in the borough
- 3,387 employees have received a pay rise through working for a Living Wage accredited organisation since 2012
- 16% of workers in the borough work for a Living Wage accredited business – 42,811 people
- Strong coverage by charity and media industries with 39 and 11 accredited organisations respectively.

⁸ Nomis

www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx?town=Southwark#tabquals

⁹ Trust for London 2017 –

www.trustforlondon.org.uk/data/boroughs/southwark-poverty-and-inequality-indicators/

¹⁰ Nomis

www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx?town=Southwark#tabquals

¹¹ Nomis

www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx?town=Southwark#tabquals

¹² Living Wage Foundation, December 2019

Action Plan targets

Developing targets

The Steering Group are aware the Living Wage Foundation has ongoing engagement with organisations based in Southwark, this Action Plan aims to complement this ongoing work as much as possible and use the Steering Group's network and influence effectively.

We have set our targets using the following methods:

- 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.

Table 2: Living Wage Action Plan targets

Performance measures		Baseline for Action Plan (March 2020)	Targets for yr 1 (March 2021)	Targets for yr 2 (March 2022)	Targets for yr 3 (March 2023)
Number of accredited real Living Wage employers	Continuation of normal uptake (+20 p/a)	171	191	210	230
	Effect of Steering Group (43 p/a)		214	257	300
Total number of workers employed by accredited real Living Wage employers	Continuation of normal uptake (+5,351 p/a)	42,811	48,162	53,513	58,864
	Effect of Steering Group + 25% of current uptake / Target (+6730)		49,541	56,271	63,000
Number of workers receiving a pay rise on to at least the real Living Wage	Continuation of normal uptake (+106 p/a)	3,387	3,493	3,599	3,705
	Effect of Steering Group (+371 p/a)		3,758	4,129	4,500

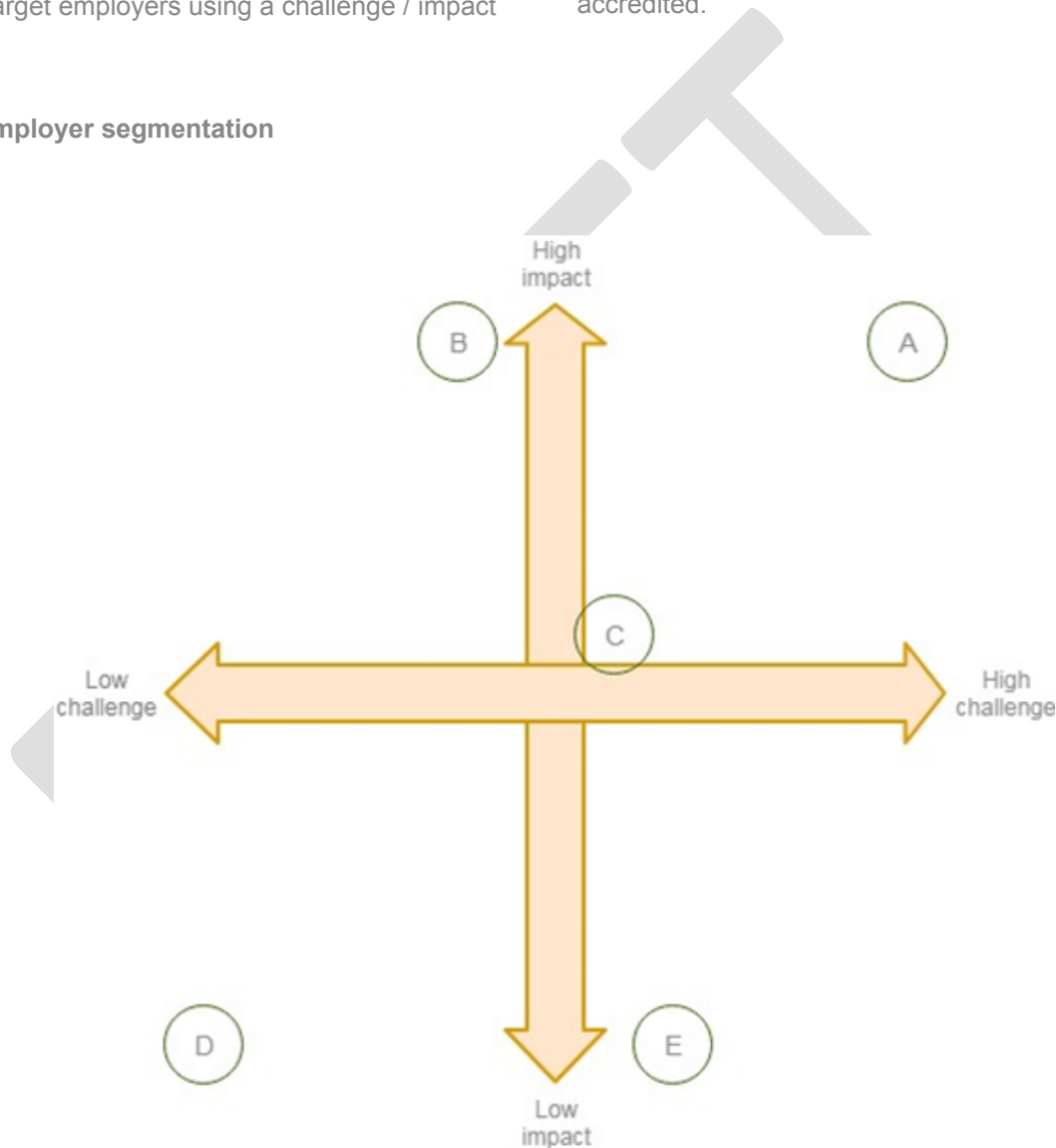
Prioritising activity

Principles for prioritising employers

In order to be most effective at engaging with employers, the Steering Group have undertaken an exercise to categorise target employers using a challenge / impact

approach as shown in Figure 4. This diagram allows activity to be targeted towards different employers based on the impact their accreditation will have on the number of employees receiving a pay rise and how challenging they are to engage with or for them to become accredited.

Figure 4: Employer segmentation



We have assessed employers based on the following two factors:

- **Challenge** – the degree to which an employer will find it difficult to meet the accreditation standards set by the Living Wage Foundation; one factor being how much will they have to change their current pay policy.

- **Impact** – the predicted impact on employees and the local community that accreditation of a certain employer will bring.

Based on this assessment the Steering Group have prioritised the types of employers the Action Plan will target (Table 3, below). Although our two top priority groups will see less impact on the number of people receiving a wage uplift, the influence these accreditations

will have on their respective sectors and consumers will build the momentum behind the Action Plan's delivery.

Principles for prioritising sectors

In addition to the above methodology for targeting employers, the Action Plan accounts for the differing challenges and opportunities the Living Wage presents for different sectors. These are summarised in Table 4.

This approach will allow the Steering Group to consider not only the challenge and impact of implementing a Living Wage but the individual business' challenges based on their industry.

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Table 3: Employer segmentation – further explanation and plan

Employer category	Challenge	Impact – number of employees receiving a wage uplift	Size of organisation (no. of employees)	Currently paying the Living Wage?	Plan	Priority
A	High	High	Large	No	Will achieve maximum employee wage uplift but will be a big challenge and resource intensive	3
B	Medium	High / Medium	Large	Yes (not accredited)	Need to find these companies and target. Will help hit target re: employees working for accredited organisation	1
C	Medium	Medium	Small / medium	No	Similar to 'A' but less of a challenge and impact as they are smaller organisations. Less bureaucracy to get any accreditation decision	4
D	Low	Small	Small	Yes (not accredited)	Small companies paying Living Wage but not accredited	2
E	Low	Medium	Small	No	Small companies not paying Living Wage. Could be encouraged with small challenge but also smaller impact. May need to contact re: help hit target around accredited organisation	5

Table 4: Sectoral challenges and opportunities

Sector	Principle Challenges	Practical Challenges	Opportunities
Construction	<ol style="list-style-type: none"> 1. Implementing a Living Wage will impact on contractor and scheme costs and so a development's viability. 2. Potential conflict with contractor delivery of Southwark Council's employment and training targets. 3. Staff retention and attraction in challenged sector. 	<ol style="list-style-type: none"> 1. Monitoring – both the wider on site supply chain and across self employed workers. 2. Contractors working across multiple sites – where some sites require Living Wage and others do not. 3. Large proportion of employees already well above Living Wage; uplift may not be substantive. Uplift is understood to largely affect banksmen, cleaning, catering staff. 	<ol style="list-style-type: none"> 1. Southwark Council has had a track record with influencing the construction industry through Section 106 agreements and the Southwark Construction Skills Centre. 2. Successful example of Living Wage being paid at Elephant Park and commitments to do the same in further opportunity areas; Canada Water and Old Kent Road.
Professional, scientific and technical	<ol style="list-style-type: none"> 1. Traditionally high pay sectors though thought that employers will have difficulties in implementing throughout supply chain. 2. Organisations have their head office in Southwark – but likely to have satellite offices in other areas of the country. 	<ol style="list-style-type: none"> 1. Implementing and monitoring throughout the supply chain. 	<ol style="list-style-type: none"> 1. Attractiveness of organisation for marketing and recruitment – 'a fair employer' 2. Southwark Council have relationship with many organisations through its Business Forum
Retail and hospitality	<ol style="list-style-type: none"> 1. Traditionally a low paid sector – wages can be a high percentage of business outgoings so any uplift will have a big impact on the business' bottom line. 2. Chains – challenge to agree to Living Wage in one borough given parity with other employees in other stores in same area. Any 	<ol style="list-style-type: none"> 1. Reaching smaller retail and hospitality businesses with little impact on the number of people receiving a wage uplift. 2. Currently few organisations in this sector accredited, little research in terms of true benefits to the retail and hospitality sector. 	<ol style="list-style-type: none"> 1. There is an opportunity to influence the sector through regeneration programmes and Skills Strategy work. 2. Opportunity to influence non-chain retailers to normalise Living Wage commitment. 3. Staff retention and recruitment is traditionally a challenge in this

Sector	Principle Challenges	Practical Challenges	Opportunities
	<p>accreditation will either be a trial or across a whole chain.</p> <p>3. Many chains are multinational organisations – who need to factor UK Staff costs against Global Staff costs</p> <p>4. Concern over implications for employing local residents who may have specific support requirements into these roles.</p>		<p>sector, a problem Living Wage accreditation has been proven to alleviate.</p>
Care	<p>1. Traditionally a low paid sector - wages can be a high percentage of business outgoings so any uplift will have a big impact on the business' bottom line.</p> <p>2. Negative consequence of accreditation could be savings made in other areas (such as carer travel time being unpaid).</p>	<p>1. Implementing and monitoring throughout the supply chain.</p>	<p>1. Steering Group membership includes the council and local NHS Trust; key influencers in this area.</p> <p>2. Southwark Council commissioned care has been successfully Living Wage since 2013.</p>
Education	<p>1. Pockets of low pay – particularly midday assistants and teaching assistant roles (which are more likely to be filled by women with caring responsibilities).</p> <p>2. Varied influence in the sector – local authority controlled schools are easier to reach.</p>		<p>1. Steering Group membership includes higher education institutes and local authority has a relationship with primary and secondary educational institutes.</p>
Creative and digital	<p>1. Sector traditionally made up of smaller businesses, with a high proportion of freelancers. This will make engaging a challenge.</p>		<p>1. A growing local sector – links can be made to the Creative Enterprise Zone in Camberwell and Peckham.</p>

Three year Action Plan

Approach to engaging with organisations

The strength of our Steering Group will be in the connections we, as a group, have with employers, residents and consumers to deliver against our targets.

Work has already begun to map the Steering Group members' local connections and spheres of influence. This exercise is demonstrating where the Steering Group could work together as a whole, or where some members could work together in delivering activity.

Defining actions

The three year action plan is based on the work the Steering Group has done to target employers and sectors. Specific employers to engage with will be identified based on:

- the tool outlined in Figure 4
- our sectoral approach outlined in Table 4
- connections and influence of Steering Group members and Living Wage Foundation activity
- geographical spread of activity

Activity for year 1 has been more developed than consecutive years, this is to allow the plan to develop and flex based on learning from our first year's experience.

Activity will fall under the following categories:

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

Engaging with:

- organisations who are likely to already be paying the Living Wage to the majority of their employees
- organisations who have previously been accredited but are no longer
- employees who could become influencers or ambassadors for 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. In delivering this activity, Steering Group members will seek to get both consumers and people affected by low pay involved.

2. Showcasing the benefits of the Living Wage

Engaging with:

- organisations who its likely not be aware of the Living Wage (such as start ups)
- smaller organisations in sectors where low pay is prevalent
- community groups, faith organisations and schools to advocate for the Living Wage

Activity will focus on promoting the Living Wage as a tool to attract the best staff and more customers. Activity will also focus on creating advocates for the Living Wage, be that employers, consumers or those affected by low pay.

3. Using Steering Group influence

Engaging with organisations who:

- are likely to be larger employers
- are key partners in Steering Group supply chains, or key partners (such as regeneration partners in the case of Southwark Council)

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

4. 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.

Table 5: Southwark’s Three Year Action Plan

	Activity	Activity category	Lead partner(s)
Year 1 aim – foundation building	1.1 Engage with academic to support the evaluation of the Action Plan	Continuous improvement	Southwark Council Kings College
	1.2 Engage with Southwark organisations who were previously accredited	Work with existing accredited and non-accredited Living Wage organisations	Southwark Council Living Wage Foundation All SG members, as appropriate
	1.3 Living Wage incentive programme introduced	Using Steering Group influence	Southwark Council
	1.4 Engage with Southwark organisations Steering Group are aware pay the living wage but are not accredited	Work with existing accredited and non-accredited Living Wage organisations	Southwark Council Living Wage Foundation All SG members, as appropriate
	1.5 Engage with organisations to become sector ambassadors	Work with existing accredited and non-accredited Living Wage organisations	All SG members, as appropriate
	1.7 Local case studies developed	Showcasing the benefits of the Living Wage	All SG members, as appropriate
	1.8 Quarterly myth busting sessions for local employers	Showcasing the benefits of the Living Wage	Southwark Council Business Improvement Districts
	1.9 Living Wage celebration week activity	All	Steering Group
	1.10 Integrate low pay measures into Skills Partnership hospitality work	Using Steering Group influence	Southwark Council
	1.11 Work with schools for accreditation and then organise pupil and teacher actions	All	Citizens UK St Giles Trust
	1.12 Citizenship classes for residents	Showcasing the benefits of the Living Wage	Citizens UK
	1.13 Promotion of Good Work Standard, including its fair pay measures	Using Steering Group influence	Better Bankside Southwark Council

Year 2 – achieving results	2.1	Impact evaluation of year 1 activity; with a focus on learning for year 2 activity	Continuous improvement	Academic partner Steering Group
	2.2	Steering Group membership refresh	Continuous improvement	Steering Group
	2.3	Quarterly myth busting sessions for local employers	Showcasing the benefits of the Living Wage	Southwark Council Business Improvement Districts
	2.4	Geographic based activity in Canada Water and Old Kent Road; myth busting workshop organised in the two areas	Showcasing the benefits of the Living Wage	Southwark Council British Land
	2.5	Local case studies refreshed	Showcasing the benefits of the Living Wage	All SG members, as appropriate
	2.6	Living Wage celebration week activity	Using Steering Group influence	Steering Group
	2.7	Steering Group members examine procurement policies and engage with supply chain / internal contract managers	Using Steering Group influence	Steering Group
Year 3 – reaching harder to engage organisations	3.1	Impact evaluation of year 2 activity	Continuous improvement	Academic partner Steering Group



St Giles

Turning a past into a future



SOUTH BANK EMPLOYERS' GROUP