LIVING WAGE PLACES:
A TOOLKIT ON TACKLING LOW PAY
BY CELEBRATING LOCAL ACTION
Access to fulfilling, paid work can be a vital component of wellbeing. The level of pay that people receive from work is also extremely important. For work to have a positive impact on wellbeing, pay must, at the very least, be at least sufficient to cover basic needs – but in-work poverty, wage stagnation and income inequality remain major challenges in the UK labour market today.

The Living Wage Foundation and Living Wage Scotland have delivered inspirational work over many years to support and encourage employers to pay their staff the real Living Wage, improving the quality of life of many workers.

Now the two organisations have launched Living Wage Places, a new scheme to harness the power of place, involving local employers, communities and people, to help extend the Living Wage to more workers and lift more people out of low pay.

This new approach offers great potential. Our individual and collective wellbeing is hugely shaped by the places where we live and work. Place affects our education, our employment opportunities, our relationships and our environment. The characteristics of local labour markets and economies can also impact significantly on the wages that workers receive.

The Living Wage Places scheme gives cities, towns, boroughs, zones and even buildings, a unique opportunity to come together and build a coalition of local organisations, from public, private and the third sector, to drive the uptake of the Living Wage in their area.

At the Carnegie UK Trust we’ve been proud to support the Living Wage Foundation and Living Wage Scotland as they’ve scoped and launched this important new initiative. Both organisations have dedicated significant time and resource to build the scheme, examine each part of the process and understand the available national and international evidence. The result is a scheme which has the potential to be transformative, not just celebrating the achievements of a place at a point in time, but providing a new impetus for more and more workers to receive higher pay. It also provides local flexibility – allowing places to start at their own baseline and deliver ambitious change for their area, so places of different sizes across the country can get involved and take part.

It would be naïve to assume, of course, that place-based change is straightforward. Some places will find it easier than others to initiate and implement action towards becoming a Living Wage Place. Many of the factors that influence pay are driven by global markets, national policy and the dynamics of different industrial sectors. But the Living Wage Places scheme presents a tangible vehicle through which local areas can take control of their own priorities and catalyse improvement for workers.

We hope this report will provide valuable, practical insight for areas across the UK to begin their own Living Wage Place journey. We look forward to the impact it will bring in tackling low pay and improving the quality of work for people across the UK.

Douglas White
Head of Advocacy, Carnegie UK Trust
On 6th March 2019, Dundee became the first place to be recognised for Making a Living Wage City. At the offices of DC Thomson – a publisher that has been based in Dundee since 1905 and which includes the Dundee Courier, the Beano and the Dandy in its portfolio – more than eighty people representing the city’s living wage employer movement gathered to watch the official launch ceremony.

There were speeches from the leader of Dundee Council, from Christine McGlasson, managing director of bus company Xplore Dundee, and from Ellis Watson, executive chair of DC Thomson. They set out the vision for Dundee as a Living Wage City and laid down the challenge to the city’s businesses to pay a real Living Wage to its citizens.

‘It’s up to businesses to make Dundee a Living Wage City. Any business that says they can’t afford to pay the real Living Wage, I will open the door to talk about ways to make it possible. It’s not a huge ask of businesses to pay a little more so that people can live a decent life,’ Watson said.

Living Wage Places is a new recognition scheme from the Living Wage Foundation which encourages places of all sizes to develop local approaches to promote the real Living Wage and employer accreditation. It recognises and celebrates the efforts of local employers working in partnership to expand Living Wage accreditation in their locality and change the local low pay landscape.

For Dundee, the journey to being recognised for Making a Living Wage City started after a recommendation in 2016 by the Dundee Fairness Commission to make Dundee a Living Wage City. The city had been struggling economically since the demise of two of the three key industries which made up its economic base – jam, jute and journalism. The End Child Poverty Coalition published a report in 2019 which stated that Dundee had one of the highest levels of child poverty in Scotland, with 31% of children in the city growing up in poverty.

Only 67.3% of the working population of Dundee is employed, ten percentage points below the Scottish average. Weekly earnings are lower for Dundee residents than for the average Scottish working population.

Championing the real Living Wage has been a part of Dundee Council’s plans to build a more inclusive economy. The council signed up as a Living Wage employer in 2016 and in 2017 began working towards Making Dundee a Living Wage City. The Council made paying the real Living Wage a preferential condition for developers on its £1bn Waterfront project.
incorporating the new V&A Dundee Museum of Design, and won a Living Wage Champion Award in 2018 for its promotion of the real Living Wage.

Now, the equivalent of more than 25% of the workforce in Dundee are directly employed by an accredited Living Wage employer, and in March this year the Dundee Living Wage City Action Group, formed by local employers from the public, private and third sectors, launched its Making a Living Wage City Action Plan. Over the next three years, their aim is to increase the number of employers signed up to the real Living Wage so that more than 50% of the workforce in the city are employed by a Living Wage accredited employer and to uplift a further 1,000 workers onto the real Living Wage.

Dundee was the first to be recognised for its efforts to make a Living Wage place; now other towns and cities across the UK are following suit.

THIS DOCUMENT

The story of Living Wage Places has just begun. This document is for organisations that are interested in developing a place-based approach to increasing the number of people earning a real Living Wage. Whether you are a major private sector employer, a small business, a local council, a citizen or a grassroots campaigning group, you can get involved and help make the Living Wage the expected norm in the places that matter to you. All over the UK, action groups are being formed and communities and employers are working together to extend the real Living Wage throughout their localities and help ensure a real Living Wage for workers. This document serves as a toolkit for developing a place-based approach to increasing the number of employers paying the real Living Wage.

For more information and detailed support on the Living Wage Places programme, please contact the Living Wage Foundation or Living Wage Scotland.

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SECTION 1

Why Living Wage Places
The UK campaign for a Living Wage started in east London in 2001, in a place with one of the highest wealth disparities in the country. People living in Tower Hamlets, overlooked by Canary Wharf, could see the symbols of wealth but were far from feeling the benefits. Some of the first Living Wage campaigns successfully targeted large financial firms to ensure their caterers, cleaners and security guards earned a wage they could live on.

Across the UK similar disparities can be seen, particularly in areas that have lost the industries that had defined their economies. High streets are in decline, the dominance of multinationals with shareholder models means wealth generated in a place does not stay there, and we’re living in a time of huge economic uncertainty.

But it is also a time of great change and experimentation. There is a shift towards ‘inclusive growth’ and more collaborative local economics, aimed at distributing wealth more evenly.

There is a growing consensus that collective efforts within defined geographic places can help re-design the way our local economies work. Place-based large institutions – hospitals, councils, universities and big employers – are working together with Small and medium-sized enterprises (SMEs), local grassroots groups and the third sector to focus on addressing the rise of in-work poverty and re-build identity and prosperity within local communities.

The Living Wage Places project puts the real Living Wage at the heart of local debates around more inclusive economies, using place as a driver to increase the number of employers signing up to the Living Wage. The recognition scheme includes ‘places’ of all sizes, from buildings and zones to cities and towns.

The aim of Living Wage Places is to use a place-based approach to uplift low-paid workers to the real Living Wage.

It provides an opportunity for employers to play a role in addressing low pay in the places they operate and to work in partnership to tackle low pay. It allows the Living Wage Foundation – and local areas – the chance to measure the social and economic impact of the Living Wage movement on places, people and business.
THE PLACE RIPPLE EFFECT
Since 2011, the Living Wage ‘Employer mark’ has been widely accepted as the badge of responsible business and gives employers an opportunity to publicly demonstrate their commitment to the simple idea that a hard day’s work deserves a fair day’s pay.

There are over 5,000 employers signed up to the Living Wage across the UK with over 1,500 based in Scotland. Despite the growth of the Living Wage movement, there remains much to be done to expand uptake of the Living Wage in towns and cities across the UK. For example, only around a fifth of UK universities and just four Premier League teams are accredited Living Wage Employers.

One consistent pattern to emerge is that newly accredited Living Wage Employers are frequently clustered in local areas, often following the lead of major local employers and significant purchasing organisations such as local authorities.

Research by the Smith Institute, looked at the impact on city regions across the UK when major employers sign up as Living Wage employers and pay their staff the real Living Wage.

Its report, the Local Living Wage Dividend, analysed the impact of a quarter of people on low incomes in each of the UK’s 10 city regions receiving a pay rise to the real Living Wage. The report found that over half a million workers would receive an annual average pay rise of £1,700 and the subsequent rise in wages, productivity and local spending could deliver a £560m economic boost to the UK’s city regions.

The report highlighted the role that public and private sector employers such as councils, universities, hospitals and football clubs can play in providing leadership and paying the real Living Wage. When these institutions sign up as Living Wage employers they often uplift large numbers of people, and their influence as a Living Wage Employer extends to their supply chains and to local businesses.

‘GROWTH DOES NOT HAVE TO COME THROUGH A RACE TO THE BOTTOM ON WAGES. FAIRER WAGES CAN DRIVE HIGHER LOCAL GROWTH’
THE LOCAL LIVING WAGE DIVIDEND REPORT: THE SMITH INSTITUTE OCTOBER 2018
DEVELOPING THE LIVING WAGE PLACES MODEL

In 2017, Living Wage Scotland, with the support of the Carnegie UK Trust, began to create a Living Wage Places model which would tap into the power of place, and celebrate the efforts of local employers to extend the real Living Wage within the place they operate.

After conducting a feasibility study and assessing the benefits of other place-based accreditation and recognition schemes, the Living Wage Foundation and its partner organisation Living Wage Scotland (hosted by The Poverty Alliance), began working with pilot areas to test the model, again backed by the Carnegie UK Trust. The Living Wage Places model that emerged is one that recognises the Living Wage movement grows at an accelerated pace when we encourage and harness place-based approaches that promote paying the real Living Wage.

LIVING WAGE PLACES MODEL IN BRIEF

There are two elements to the Living Wage Places model. Smaller geographies such as zones and buildings can achieve recognition when 100% of businesses working within them pay at least the real Living Wage to their staff and regular third party staff. The model celebrates building management companies or leaseholders for achieving recognition as a Living Wage Place.

For larger places like neighbourhoods, boroughs, towns and cities: the model begins a journey towards making the real Living Wage the expected norm in a place. The model recognises that places of this scale will experience varying challenges and opportunities in encouraging all employers to sign up to the real Living Wage. For larger place-based approaches, the model celebrates local employer Action Groups for achieving recognition for a commitment to Making a Living Wage Place.

Our research and analysis has found that all place-based efforts to increase take-up of the real Living Wage require effective partnership working.

Neighbourhoods, boroughs, towns and cities interested in starting the journey towards Making a Living Wage Place must have a group of Living Wage accredited organisations based in their locality. This group, otherwise known as a Living Wage Action Group, should be prepared to work in partnership on a Living Wage Action Plan over a period of three years.

Through the Action Group and the Action Plan, they will need to demonstrate the ambition and commitment to ‘Making a Living Wage Place’ in their locality by encouraging other local employers to pay the Living Wage and increase the number of people in their area who are paid the real Living Wage.

Importantly, the model appreciates that every place is unique and allows for flexibility and for different starting points. It is not a model that requires a set of pre-determined standards to be met before celebrating local action. Instead, any place can aspire to make the real Living Wage the norm, and the Living Wage Places model is a way to help places begin a meaningful journey towards achieving that aspiration. Making Living Wage Places celebrates the fact that the neighbourhood, borough, town or city is on a journey to help tackle low pay through a partnership of local employers and the community working together.

WHY LIVING WAGE PLACES?

[graphic]
SECTION 2

The Model
MAKING LIVING WAGE PLACES

A recognition scheme to celebrate leading Living Wage employers working together to champion Living Wage accreditation locally.

Become recognised for a commitment to making your neighbourhood, borough, town or city a Living Wage Place in 3 steps:

1. Leading local employers become Living Wage accredited, and form an Action group.

2. They work together to develop a 3-year Action plan to deliver locally.

3. The Action Plan can be officially recognised as part of ‘Making Living Wage Places’ with bespoke branding and ongoing support available to help the action group achieve their aims.
THE MODEL: 1) MAKING LIVING WAGE PLACES: NEIGHBOURHOODS, BOROUGHS, TOWNS AND CITIES

When a place begins its Making Living Wage Places journey, the Living Wage Foundation (or Living Wage Scotland) is on hand to support it at every step of the way.

STEP 1: CREATE AN ACTION GROUP OF EMPLOYERS BASED IN AND REPRESENTATIVE OF THE CITY, TOWN OR BOROUGH

To do this, there needs to be an existing pool of accredited Living Wage Employers with the capacity and influence to champion the Living Wage locally, and the willingness to work together on this.

As a *minimum*, the Action Group should include:

- The relevant local authority
- Major private sector champions
- Other large ‘anchor’ institutions – which could include hospitals, universities, cultural institutions, sport organisations, transport providers, media companies, utilities, building owners and developers
- Third sector champions
- A representative from small or medium-sized enterprise
- A representative from an employment network e.g. Chambers of Commerce

Anchor institutions are major local employers that are representative of their place due to their long-established social, cultural or economic roots in the area. Hospitals, universities, art galleries, football clubs, transport providers and major private sector employers must sign up and pay the Living Wage to their direct and contracted staff and to work collaboratively with other large local employers to tackle the broader challenge of low pay in their locality.

PRESTON CITY COUNCIL HAS BEEN A LIVING WAGE EMPLOYER SINCE 2012 AND HAS ENCOURAGED OTHER LOCAL BUSINESSES AND LARGE PROMINENT ORGANISATIONS TO ACCREDIT AS LIVING WAGE EMPLOYERS; NOW 25% OF ITS WORKING POPULATION ARE COVERED BY LIVING WAGE ACCREDITATION, INCLUDING LANCASTER COUNTY COUNCIL WHICH UPLIFTED OVER 3,000 PEOPLE TO THE REAL LIVING WAGE WHEN IT ACCREDITED.
STEP 2: RESEARCH THE LOCAL LOW PAY LANDSCAPE

Once a Living Wage Action Group has been established the group’s first task is to measure the place’s baseline starting point. The Living Wage Foundation can help a new Action Group by providing information to illustrate the current patterns of Living Wage accreditation in your place.

This can include:

1. **Who is already signed up to the real Living Wage:** Up-to-date lists of company names of accredited Living Wage employers in your place, with information on where they are based, company size and industry.

2. **Workers covered:** The total number of workers covered by your local accredited Living Wage employers as a percentage of the working population within a place.

3. **Impact so far:** An estimate of the total number of workers that have already received a pay increase on to the real Living Wage, as a result of an employer in your area becoming accredited.

The Action Group then needs to assess the particular low pay challenges of its place. Questions to be considered by the group could include: are there communities that are particularly affected by in-work poverty? Which sectors and employers are paying less than the real Living Wage?

STEP 3: DEVELOP A CLEAR AND AMBITIOUS LIVING WAGE ACTION PLAN

The plan should address the specific challenges highlighted within a place, with targets such as increasing the number and proportion of local employees covered by a Living Wage commitment, the number of Living Wage Employers in the area, and the numbers receiving a pay rise because of new Living Wage commitments.

Living Wage Employer accreditation is at the heart of the Making a Living Wage Place approach and measuring progress. The Living Wage Foundation has a network of over 5,000 employers representing almost every type of workplace and every sector, and a team of specialist staff who can help guide employers through the accreditation process.

The aim of a Living Wage Action Plan is to set ambitious yet achievable targets for increasing the number of accredited Living Wage employers – and uplifted workers – in a place and set out a plan for doing so. The Living Wage Foundation will assess a Making a Living Wage Place application on the strength and make-up of the Action Group and the level of ambition of its Action Plan.

Once the action plan is signed off by the Living Wage Foundation, the Living Wage Action Group then signs a group licence agreement to gain licence rights to use the ‘Making Living Wage Places’ branding and pays a Living Wage Place recognition fee. The group then commit to deliver their action plan within an agreed timescale (usually three years), and celebrate their ambition towards Making a Living Wage city, borough or town by launching their Action Plan.
Alongside Making Living Wage Places are two programmes focused on smaller geographies – Living Wage Buildings and Living Wage Zones. Living Wage Zones and Buildings are areas where 100% of organisations based within them pay the real Living Wage.

Buildings and Zones become accredited as Living Wage Buildings and Living Wage Zones when a building manager, landowner or developer includes a clause within the tenancy agreement which obliges businesses in the building or zone to pay the real Living Wage to all directly employed and regular third party staff.

What is a Living Wage Zone?
A Living Wage Zone is a defined geographical area in which multiple employers are based, where all directly employed staff and regular third party staff are paid at least the real Living Wage. Examples are managed campuses, development sites or industrial parks in which all businesses located there pay the real Living Wage to both directly employed and regular third party staff.

Initial research into the concept of Living Wage Zones was conducted by the London South Bank Employers Group and the Living Wage Foundation on a project called Living Wage South Bank. The research involved interviewing employers based along London’s South Bank to gather their views on the real Living Wage, share the benefits to business and identify the barriers to paying it. They also interviewed consumers and local people about their understanding of and interest in the real Living Wage. This work concluded that creating a Living Wage Zone in an area with lots of existing businesses is difficult and Living Wage Zone pilots have focused on regeneration areas or areas with single landlords or developers who can set working conditions from the start.

What is a Living Wage Building?
A Living Wage Building is a building in which multiple employers are based, where all tenants must pay at least the real Living Wage to their direct staff and regular third party staff.
Living Wage Building
CASE STUDY: INTERNATIONAL HOUSE IN BRIXTON, SOUTH LONDON – HOW COUNCILS CAN INFLUENCE THE LOCAL PRIVATE ECONOMY

One in five people in Lambeth, a South London borough, are paid less than the London Living Wage. Lambeth Council – an accredited Living Wage Employer – has taken significant steps to improve low pay in the local public sector and needed a strategy to start influencing the private economy. The council owned several commercial buildings and wanted all businesses renting a space from them to pay the real Living Wage, and to ensure rising rents did not push local businesses out of the area. To do this, the council wrote a clause into the leases of those buildings, specifying that if businesses working within them paid at least the real Living Wage, they would qualify for affordable business rents. Councillor Matthew Bennett said that when the suggestion to ensure the real Living Wage was paid in their commercial buildings, there was scepticism similar to when the council began enforcing the real Living Wage in contracts. The council found a building partner – 3Space – who was signed up to its plans to ensure its commercial co-working spaces paid the real Living Wage and were affordable.

In April 2019 International House – a former Lambeth council building in Brixton, South London – became the first Living Wage Building. The 11-storey block is owned by Lambeth Council and managed by 3Space. A clause in the tenancy agreement specifies that all tenants working there are required to pay at least the real Living Wage to all directly employed staff and regular third party staff. Many of the tenants – who are primarily from social enterprises, local charities and the creative sector – were attracted to the space because of its ethical values. The chief executive of architectural business RESI Alex Depledge said that paying the real Living Wage as a minimum is a core principle for her company and so wanted to be in a building that shares that value. ‘Being in this building has been a real plus as it is helping us attract potential employees who have heard about the good work that’s going on here,’ she said. Other employers in the building include George Clarke’s Amazing Spaces, tech companies Gravity Sketch, KYND, and local cultural charities including Photofusion, and Business Launchpad, a not for profit supporting young entrepreneurs from disadvantaged backgrounds. Once fully occupied, the building will support 850 jobs, and all third party staff working from the building will also be paid the real Living Wage. This has a positive impact on the workers in the building, and the local town centre. The council’s actions have positively impacted the local economy.
HOW TO: CREATE A LIVING WAGE ZONE
OR LIVING WAGE BUILDING

Living Wage Zones and Buildings are at pilot stage and the Living Wage Foundation is looking for organisations to work with to build the evidence base and business case.

What councils, developers and landowners can do to create more Living Wage Buildings and Living Wage Zones:

• Local councils can include a commitment to creating Living Wage Zones in their local plans and manifestos, particularly in new regeneration areas where councils and landowners can set working and tenancy conditions from the start

• Developers can work in partnership with councils to create Living Wage Zones and reap the reputational benefits

• Creating Living Wage Zones can strengthen the narrative around regeneration, particularly in areas prone to gentrification and help build a more inclusive local economy

• Councils and developers can set a requirement within tenancy agreements on regeneration zones that all new businesses must pay at least the real Living Wage to direct and regular third party staff

• Use section 106 to ensure labour supply and all third party staff working on construction projects are being paid at least the real Living Wage

• Building owners and managers can set a requirement that any tenants working there must pay at least the Living Wage to staff and third party staff

• Large pension funds – such as those run by local councils and universities – can influence property portfolios to include Living Wage Buildings and Living Wage Zone within their investments

• Councils and developers can incentivise businesses moving into Living Wage Zones which might struggle to pay the real Living Wage by helping them with business plans or offering business rate discounts

• Councils that are creating affordable workspace in their localities can work with building managers to ensure that co-working spaces ask for tenants to pay the real Living Wage
Vital stats:
Who’s on the Living Wage Place journey?
On track to become the first city in Wales and the first capital city to be recognised for Making a Living Wage City.

**Economic statistics:**
- Almost a third of Cardiff households are living in poverty and many of the poorest households are concentrated in the southern arc of the city.
- A fifth of jobs in the city pay below the real Living Wage.
- 50% of residents reported being concerned about affording a decent standard of living, in the 2016 Ask Cardiff survey.
- Gender pay gap – on average women earn £100 a week less than men.

**Baseline Living wage coverage:**
- Direct employment within Living Wage Employers = 13% (27,000 people)
- Low-paid workers uplifted by Living Wage = 10%

**Action Group members include:** Cardiff Council, Cardiff University, Capital Law, Citizens UK, Cynnal Cymru, Cardiff Third Sector Council (C3SC), Cardiff and Vale Credit Union, IKEA, Cardiff and Vale University Health Board

**Making a Living Wage City in Cardiff Action Plan: Intended Action Plan priorities include:**
- Focus on the ‘Southern Arc’ of the city where poverty is concentrated
- Target iconic employers in the city
- Increase real Living Wage employers from 82-150
First place to be recognised for Making a Living Wage City in March 2019

Economic statistics
- Poverty, inequality, work & incomes were ranked as high priorities for local people.
- Lower than average weekly earnings in Dundee, compared to the Scottish average, alongside lower employment rates.
- 18.5% of employees in the city earn less than the real Living Wage.

Baseline Living Wage coverage
- At the point of launching ‘Making Dundee a Living Wage City’ in March 2019, there were 51 accredited Living Wage Employers based in Dundee. Together they employ the equivalent of 25% of Dundee’s workers (almost 16,000 people).
- Over 1,100 workers earned a pay rise to the real Living Wage because of accreditation.
- A range of major employers and large organisations were already accredited, as well as a number of third sector and private SMEs across the City.

Action Group members: Dundee Council, Dundee & Angus College, Dundee & Angus Chamber of Commerce, Scottish Enterprise, Dundee Plant Ltd, Securitay, Thornton’s Investments Management, Dundee Third Sector Interface, Xplore Dundee buses

- Focus on waterfront regeneration & priority ‘growth sectors’ including hospitality and construction.
- Target the City’s largest institutions not yet accredited.
- Systematically promote, support and celebrate the real Living Wage for small businesses.
- Double the number of real Living Wage employers from 51-102 by 2022.
- An additional 1,000 workers to earn a pay rise to the real Living Wage.
- Double the coverage of workers employed by an accredited Living Wage employer from a starting ‘baseline’ of 25% of the workforce to 52%.
First Scottish Town recognised for Making a Living Wage Town in August 2019

Economic Statistics:
- Fife’s 2015 Fairness Commission found that 75,000 were living in poverty across the Fife Region
- The majority of people who live in Fife, work in Fife, based on 2011 Census
- The median hourly wage for jobs in Fife is lower than the Scottish average
- In 2014’s Labour Market survey, 21% of workers across Fife were earning less than the real Living Wage

Baseline Living Wage Coverage:
- 64 accredited Living Wage Employers across the region together employing over 21,000 workers
- Fife council are the largest Living Wage employer in Glenrothes
- Accredited Living Wage employers in Glenrothes employ the equivalent of 12% of Fife’s workers
- The Glenrothes area has the lowest percentage of high skilled workers when compared with other Fife areas
- Most employers in Glenrothes employ less than 50 workers

Action Group members: Fife Council, Fife College, Fife Third Sector Interface, local Councillors, Glenwood Salon, Landfall Scaffolding Ltd with additional Private enterprise members invited to feed in on accreditation

Target the town’s most prevalent sectors based on highest numbers of workers employed (care, construction and manufacturing), whilst assessing what works to inform the plans for making other Living Wage towns across the region.

- Prioritise engagement with key sectors identified by the Action Group as low pay challenges including Care, Construction and Manufacturing
- Celebrate businesses who join the Living Wage employer movement with case studies and storytelling as part of a local Living Wage marketing strategy
- Encourage major employers and anchor institutions in the wider Fife region to accredit
- Support local employers with small grants to assist in their Living Wage accreditation, administered by the Action Group
Salford

On track to become the first city in England to be recognised for Making a Living Wage City

**Economic statistics:**
- Over 9,500 active businesses in the city
- Local employment is heavily dependent on service sectors.
- Unemployment rate reduced substantially to 4.9% (June 2018), but remains above the regional and national rates.
- Number of jobs in Salford offering below the real Living Wage is growing by approximately 2,000 per year

**Baseline Living Wage coverage**
- 30 Living Wage Employers headquartered in Salford, employing over 9,000 people, around 9% of the workforce
- Salford Council is the largest employer headquartered in the city, uplifting over 1,000 people to the real Living Wage when it accredited
- Almost all of the city’s health and care institutions are accredited Living Wage employers

**Action Group members**
Salford Council, Unlimited Potential, Salford University, Greater Manchester NHS Mental Health Trust, Salford Clinical Commissioning Group, Salford CVS, Salford Primary Care Together

**Making a Living Wage City in Salford Action Plan: Intended Action Plan priorities**
- Double the number of accredited Living Wage employers whose main base was within the City of Salford from 30 in 2019 to 60 by the end of 2022
- Target larger, ‘anchor’ employers in Salford
- Engage low-pay sectors in real Living Wage take-up and accreditation
LONDON BOROUGH OF SOUTHWARK

Working towards becoming a Living Wage Borough.

**Economic statistics**
- Southwark is a young and diverse borough and the third largest inner London borough in terms of population (over 310,000 residents in 2016)\(^{13}\)
- The borough has deep inequalities, with high levels of wealth and new developments alongside some of the UK’s most deprived neighbourhoods\(^ {34}\)
- Low pay is the leading cause of poverty in the borough\(^ {35}\)
- Poverty rate of 31%, above the London average of 27%\(^ {36}\)

**Baseline Living Wage Coverage**
- 149 accredited Living Wage Employers headquartered in the borough\(^ {17}\)
- Almost 3,000 employees have received a pay rise through working for a Living Wage accredited organisation since 2012\(^ {38}\)
- 16% of workers in the borough work for a Living Wage accredited business – 37,000 people\(^ {39}\)
- Strong private sector coverage with Living Wage accredited finance and law firms headquartered in the borough

**Achievements so far**
- Southwark Council has committed to doubling the number of Living Wage employers by 2022
- It worked with the Living Wage Foundation to create a model for Living Wage Zones and is committed to rolling out Living Wage Zones across its development sites
- Southwark Council developed an Apprenticeship Standard scheme to guarantee the real Living Wage for apprentices in the borough
How to work toward recognition for Making a Living Wage Place:
Guidance, Successes and Challenges
How to work toward recognition for Making a Living Wage Place: Guidance, Successes and Challenges

The Making Living Wage Places recognition scheme is in its early stages and is working with places across the UK to refine the criteria and the model.

The following section sets out guidance and useful tips for Making a Living Wage Place.

1. SETTING UP AN ACTION GROUP

A Living Wage City, Town or Borough Action Group should include representatives from the public, private and third sectors and be broadly representative of the place in which it is based. There are six categories of employer which must be represented within the Action Group (see p. 10) but the size of the group and the frequency of meetings will vary from place to place. The greater the representation on the group, the more networks will be available to deliver the action plan and the easier it will be to encourage new employers to sign up.

- Pinpoint the iconic employers that represent your place: when people think about your neighbourhood, borough, town or city; which key employers and large organisations do they associate with the place?
- Contact all accredited Living Wage Employers in the relevant area and invite them to be involved
- Appoint a coordinator and/or chairperson who will help the group set out their plan and keep it on track. This could be a local council officer or a representative from a private or third sector organisation

‘ALL ACCREDITED EMPLOYERS CAN CHAMPION THE REAL LIVING WAGE. TO ACHIEVE PLACE RECOGNITION, AN EMPLOYER CANNOT DO IT ALONE – EMPLOYERS NEED TO JOIN FORCES TO MAXIMISE THEIR IMPACT’
- PETER KELLY, POVERTY ALLIANCE

DUNDEE: THE CONVENING POWER OF EXISTING PARTNERSHIPS

The Dundee Community Planning Partnership expanded to form the Dundee Partnership, and tasked themselves with taking the lead in making Dundee a Living Wage City. When the Dundee Partnership started convening their Living Wage City Action Group, there was already a large pool of prominent and influential Living Wage employers within the city.

The community planning manager at Dundee Council was nominated as chairperson of the Action Group and was quickly able to convene others in the city that may have already worked in partnership on similar strategies.

Once the initial group was convened, it was easier to approach other, smaller companies as they were reassured that the resource burden would rest with the larger organisations around the table.

The Dundee Living Wage City action group membership includes the City Council, the local bus company, Chamber of Commerce, local voluntary sector membership associations, local enterprise agencies and a range of private SMEs.
Useful Tips on creating an Action Group:

• Seek advice from Living Wage Scotland and the Living Wage Foundation – we can offer a snapshot of current take-up of Living Wage accreditation in your place
• Check the relevant local authority’s strategic priorities on tackling poverty and economic development that could include the real Living Wage
• Invite employers round the table early, even if they have not yet completed their journey to being an accredited Living Wage Employer
• Approach all accredited employers in your place and invite them to get involved
• Don’t make assumptions about capacity or interest – sometimes the smallest employers have the most to give!
• Complete a ‘mapping exercise’ with a few initial stakeholders to identify the most significant local employers in your place
• Consider approaching your elected members for help to create an Action Group

When is your Action Group complete?

• Are private, public and third sectors represented?
• Are there key industries/low pay sectors in your place represented?
• Do you have enough resource and capacity to deliver your ambition?
• Are there significant local employers not round the table – do you know why?
• Are the group ready and committed to publicly hold themselves to account on the Living Wage Place commitment?
• Are there any gaps in skills needed to deliver your plan?
• Can the group work effectively together?
• Think about public perception of the group’s membership – does it stand up to scrutiny/is it credible for low paid workers?

When a place has little awareness of the real Living Wage, and low numbers of accredited Living Wage employers, then simply convening a Living Wage Place Action Group will prove difficult. But, it’s never too early to begin aspiring to become a Living Wage Place. Low awareness and numbers of the real Living Wage can be a motivator for some of the biggest local employers to pay the real Living Wage. Sharing an ambition to become a Living Wage Place publicly can inspire others to get involved.

Employers can champion the real Living Wage with support from Living Wage Scotland and the Living Wage Foundation at any stage in the journey. We can offer guidance on setting up an Action Group and can connect you to others that share similar ambitions for their places.

GLENROTHES: THE CHALLENGE OF ENGAGING PRIVATE SECTOR MEMBERS

In Glenrothes, major public sector organisations were already committed to the real Living Wage and were ready to convene. The council’s economic development team were nominated to lead the Living Wage Town Action Group, and allocated officer support to the Group.

However, identifying and approaching local, private sector employers that were synonymous with the town of Glenrothes was a challenge. Some reasons for this include:

• Lack of large, Glenrothes based employers already signed up to Living Wage accreditation.
• Smaller, private sector SMEs reported they did not have enough available time to join the group, despite their interest in supporting the approach by becoming accredited Living Wage employers
• Larger, national firms were tentative to limit their support to only one town, and were interested in developing support packages across a range of towns and cities in which they operate.

To overcome this challenge, the group began undertaking some engagement activity – inviting businesses to meetings and roundtables to learn more about the challenges and opportunities delivering the real Living Wage might present. The group found that a general lack of awareness meant that employers didn’t know what they were being asked to commit to. So, raising awareness and increasing numbers of real Living Wage Employers may be necessary as a pre-requisite to creating an effective and representative place Action Group.

Undertaking local activity under the banner of seeking recognition for ‘Making Glenrothes a Living Wage Town’, led to an increase in accredited Living Wage Employers, and a larger pool of potential Action Group members to draw membership from.
2. RESEARCHING THE LOCAL LOW PAY LANDSCAPE

The Living Wage Foundation and Living Wage Scotland can provide cities, towns and boroughs that are beginning the journey towards Making a Living Wage Place with a baseline measure, detailing how many businesses and organisations based in your place are accredited Living Wage employers.

The Living Wage Foundation has information of organisations that are accredited as Living Wage employers and assesses place coverage of Living Wage employers according to how many Living Wage employers are headquartered there. National organisations which have local branches in your place but are headquartered elsewhere will not be included in the data.

The Making Living Wage Places programme measures success through the increased number of employers signing up to Living Wage accreditation within a local area and increased numbers of low-paid workers being uplifted onto the real Living Wage. Living Wage accreditation requires employers to pay their direct and regular third party staff a real Living Wage and ensures that they increase wages when the real Living Wage rates increase in November each year.

Some ideas for researching the local low pay landscape:

1. Discover the communities within your town, city or borough where low pay and in-work poverty are most prevalent. Research where people within these communities are working and assess whether their employers can be encouraged to become Living Wage Employers.

2. Create a matrix of local businesses and organisations that are not yet accredited Living Wage employers and assess the impact of their accreditation compared to the challenge of them gaining accreditation.

3. Look at the low-paying sectors within your place and choose one or two sectors that will be the focus of the Living Wage Action Plan. Typical low-paying sectors include social care, retail and hospitality.

Action Plans will be judged on how far cities and towns are able to increase the number of Living Wage Employer accreditations within their places.

Action Groups can also draw on other sources of data to assess a baseline for low pay in order to measure outcomes and progress of their Making a Living Wage Place journey.

CASE STUDY: NATIONAL EMPLOYERS AND CHAINS CAN TEST PAYING THE REAL LIVING WAGE THROUGH A PLACE-BASED APPROACH

As part of Dundee’s early activities to promote the real Living Wage as part of its economic regeneration policy, a hotel chain operating in Dundee agreed to pay the real Living Wage at their Dundee site only. The company intends to evaluate the business case and cost of expanding the real Living Wage to other sites, after trialling the Living Wage in one location.

This is a success for low paid workers in Dundee employed at that site, however the company would need to expand Living Wage across all sites to become eligible for Living Wage accreditation. As such, this local success wouldn’t be captured by Living Wage Foundation data, as not all workers across the organisations are paid the real Living Wage.

Creating test beds at a local level can help make the case for national organisations to commit to paying the real Living Wage across all their sites.

Advice: Engage with local sites who agree to pay the real Living Wage as a result of the Action Group efforts and identify their barriers and any support they need to become a Living Wage employer. They may also agree to talk publicly about the influence the place-approach has had in them ‘triailling’ the real Living Wage on one site. Ensure these stories are celebrated publicly.
3. CREATING A LIVING WAGE CITY ACTION PLAN

A Living Wage neighbourhood, borough, town or city action plan is a plan to expand the number of Living Wage employers in a place over a period of three years. It should be both ambitious but achievable and fit in with existing social and economic policies and plans that are already in place.

Can Making a Living Wage Place be weaved into current local policies around good work, social procurement and inclusive growth?

- The plan needs to show it has researched and considered the low pay landscape in its locality, come up with realistic targets over a three-year period and detailed information for how the plan will be delivered, including marketing and communications
- It should include targets for increasing the numbers of Living Wage employers in the city or borough, the coverage of Living Wage accreditation and uplift of people onto the real Living Wage.

Each organisation that is a member of the Living Wage Action Group should have a role in the plan, and all members should be involved in setting priorities and delivering the plan. The council will have the statistics and knowledge to help research the local low pay landscape and guide the Living Wage Action Plan strategically, but the action plan needs input and involvement from all sectors.

CARDIFF: BRINGING ICONIC EMPLOYERS ON BOARD TO TACKLE THE CITY’S POVERTY

In 2018 Citizens Cymru and Cardiff County Council agreed to progress plans to become a Living Wage City. The Action Group has met three times and includes the leader of Cardiff City Council, Cardiff Council’s strategy and development manager, Cardiff University, Citizens Cardiff, Cynnal Cymru – the Living Wage Accrediting body for Wales, representatives from the Living Wage Foundation, third and private sectors as well as an iconic cultural organisation.

Discussions at the first meeting included what it would mean for Cardiff to become a Living Wage City, the need for key large organisations to be involved, and how to increase the number of SMEs paying the real Living Wage. Initial actions included compiling information about the number of Living Wage Employees in the city, and other relevant data on low pay in the city.

Making a Living Wage City is part of the council’s economic strategy and fits into its desire to tackle growing inequality across the city and rising levels of in-work poverty, particularly in the city’s Southern arc – which contains some of the poorest parts of Wales.

The heart of the group’s Living Wage City Action Plan is to increase the number of iconic employers in the city to sign up to the real Living Wage. The city’s draft Action Plan includes plans for communicating the launch of the Living Wage City approach throughout the year including flying Living Wage flags from Cardiff Castle.
Useful tips for creating an Action Plan:

- Include targets for increasing the numbers of real Living Wage employers in the city or borough, and uplift of people onto the real Living Wage.

- Action Group members should set out how they can influence businesses in their supply chains and networks to sign up to the real Living Wage.

- Think carefully about the most effective approach to lift more people onto the real Living Wage. Where are the key low pay sectors and how can you get them on board?

- The Living Wage Foundation has a number of schemes relevant to different industries, including a Living Wage Funders scheme, which commits funding bodies to pay at least the real Living Wage; a Recognised Service Providers scheme, a network of service providers that commit to including a Living Wage bid in tenders for services; as well as a network of employers from every sector that have accredited and a specialist team of staff to support the accreditation process.

- Set out a delivery plan within the Action Plan, with key milestones. This should include a marketing and communications strategy, including events and activities tied to key dates. Use social media and videos to spread the word and tell the stories of Living Wage employers. How often can activities to promote the Living Wage and engage local employers take place?

- Get local media channels on board and key spokespersons lined up as well as a starter pack of resources to help spread the word. Think about how you can use media to celebrate milestones and successes.

- Think about how the effectiveness of any activity will be evaluated and how the group will handle follow up or referrals and data sharing.

- Identify available resources and budget to deliver your plan from within the Group. Tap into budgets associated with existing strategic priorities of member organisations, for example, a council’s economic development or community planning strategy, or a health boards strategy to reduce health inequality, a business Sustainability strategy, or simply be part of a commitment to Corporate Social Responsibility.

- There may be existing Living Wage employers who do not want to be part of the core action group but who want to support the Living wage city project. Tap into your local Living Wage Employer’s network for assistance with your activities or sponsorship.

- Plan a launch event which celebrates the place and brings the city or borough together around a shared vision of that place. Which iconic building or employer could host the launch? Who is best to speak and rally the business community to back the plan?
Conclusion
The Living Wage employer movement continues to grow – with over 5,000 accredited employers in the UK.

Employers across the UK are demonstrating they believe in the simple idea that a hard day’s work deserves a fair day’s pay and that Living Wage accreditation is the mark of a responsible employer. Organisations who sign up to the real Living Wage demonstrate the strength of a growing movement, and in turn encourage others to follow their lead.

The unique element of Living Wage Places is recognition that place identity and local pride can be a powerful motivator to encourage employers to pay the real Living Wage.

Living Wage Places is harnessing the potential of employers to improve the lives of their communities when they gather around their common values. Not only do these employers share a commitment to paying the real Living Wage, but they also share an affinity with the local area in which they operate. Living Wage Places offers employers an opportunity to drive change and deliver a tangible increase in the number of workers earning enough to make ends meet.

The added value of a place-based approach is that we can create a microcosm of the national approach, encouraging employers from different sectors and industries to work together to further accelerate the growth of the Living Wage movement in local areas in which they operate. This will ensure that the real Living Wage becomes part of a place identity, solidifying its role in creating a fair economy that works for everyone, and ensuring that the Living Wage employer movement is visible within communities of all sizes, across the UK.
ENDNOTES & REFERENCES


2. Ibid, 1


5. Dundee Waterfront, N.D. *Living Wage Agreements* Available at: https://www.dundeewaterfront.com/sites/default/files/docs/CommunityBenefitsAgreements_LivingWageAgreement.pdf


7. As of March 2019, there were 51 accredited Living Wage employers in Dundee, together they employ an estimated 15,926 workers, equivalent to 25% of Dundee’s employed workforce. Dundee Partnership, 2017. *City Plan for Dundee 2017 – 2026*; [Online]. Available at: https://www.dundeecity.gov.uk/city-plan-for-dundee-2017-2026


12. Ibid, 11


15. Based on Living Wage Foundation employer accreditation data in February 2019

16. Ibid, 15


21. Based on Living Wage Foundation employer accreditation data in March 2019

22. Ibid, 21
Making Dundee a Living Wage City
We are the organisation at the heart of the independent movement of businesses and people that campaign for the idea that a hard day’s work deserves a fair day’s pay. 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.

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Living Wage Scotland was established in April 2014 with the aim of increasing the number of employers in Scotland who are recognised for paying their staff the Living Wage. Hosted by The Poverty Alliance, the Living Wage Scotland programme works in partnership with the Living Wage Foundation and is funded by the Scottish Government.

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The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

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