

GREATERLONDONAUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2777

Approval of grant funding agreement with Living Wage Foundation for Making London Work for All

Programme: Supporting Londoners to Benefit from Growth

Executive summary:

This decision requests approval of funding for a new grant agreement with the Living Wage Foundation to contribute to the Making London a Living Wage City initiative, entitled Making London Work for All.

The initiative will make a key contribution to the London Growth Plan ambition to make London a centre for excellence for fair pay and good work, by tackling the number of Londoners currently paid below the London Living Wage. It is a deliverable in the Supporting Londoners to Benefit from Growth programme, approved under Mayoral Decision [3395](#) with authority delegated to the Executive Director of Communities and Skills to approve receipt and expenditure funds.

The GLA funding requested (£87,500 for 2025-26) will form part of a coalition of funding from other partners for the initiative, which will have a total projected funding of £3m over the next four years. Break clauses in the agreement permit the GLA to terminate the agreement at any time, giving two months' notice.

Decision:

That the Executive Director of Communities and Skills approves allocation and award of up to £87,500 in 2025-26 to the Living Wage Foundation to support the delivery of the next phase of its Making London a Living Wage City initiative (Making London Work for All).

AUTHORISING DIRECTOR

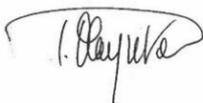
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tunde Olayinka

Position: Executive Director of Communities and Skills

Signature:



Date:

19 December 2025

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1. The Living Wage Foundation, funded by Trust for London, launched Making London a Living Wage City (MLLWC) in September 2021. This is one of two city-region living wage campaigns (the other is in Greater Manchester). The project was initially funded for three years, with the aim to:

- increase the number of accredited employers in London
- uplift the wages of 50,000 Londoners
- increase by 250,000 the number of people employed by accredited employers.

Further funding was secured in 2025, with additional stretch targets for that year.

1.2. For the first stage of the MLLWC initiative, the Mayor co-chaired the steering group, alongside Sarah Mullally (then Bishop of London) and Anna Purchas (KPMG). In this period, the GLA provided in-kind support but not financial contributions. While MLLWC was operating, the GLA also supported a small Royal Docks Living Wage Plan project (worth £50,000 over three years).

1.3. The project was an ambitious step-change for the Living Wage campaign, on its 20-year anniversary. It brought together employers, workers, community groups and more, in focused action to address London's low-paid sectors, specifically health and social care, hospitality, service provision and the culture and creative industries. The programme has:

- delivered the London Living Wage to 58,000 Londoners, resulting in a wage increase of £345m, with a forecast of £2.8bn by 2030
- doubled the number of London Living Wage employers from 2,000 to 4,000
- seen positive results in target sectors, including 80 per cent of NHS Trusts in London becoming living wage employers an 88 per cent increase in creative and cultural sector accreditations.

1.4. MLLWC has proven success in accelerating the Living Wage campaign, tackling in-work poverty in London and convening a broad coalition of stakeholders in focused action to address low pay. Independent evaluation from Cardiff University Business School suggests accreditation trends have risen by:

- 159 per cent in all industries
- 255 per cent in creative sector
- 269 per cent in hospitality
- 287 per cent in health and social care.

This progress was achieved during a period covering the pandemic and significant business cost pressures.

1.5. The Living Wage Foundation is now developing a second phase of the city-focused campaign, Making London Work for All (MLWfA). The next phase would be assessed against the following measures:

- increasing the number of living wage employers from 4,000 to 6,400, delivering pay rises for 40,000 Londoners and wage gains of £186m
 - expanding Living Wage Places to new areas - for example, Old Oak and Park Royal, and East Bank
 - increasing adoption of Living Hours (an accreditation for employers committing to secure work), doubling accreditations year on year
 - increasing adoption of Living Pensions (an accreditation for employers committing to fair pensions), doubling accreditations year on year.
- 1.6. The project would also look to innovate and develop in new areas, particularly building on their community organising practice. Examples of new projects that the Living Wage Foundation is looking to develop include:
- Equity Zones, to address a broad range of social issues, including housing, low pay, in-work poverty and migrant rights by bringing together partners and community groups to set ambitious community-driven targets
 - Worker Centres, as hubs for engaging low-income Londoners, providing practical support and advice and development leadership and campaigning capacity.
- 1.7. The Living Wage Foundation is forming a coalition of funders and partners to deliver the next four-year phase of MLLWC, entitled Making London Work for All (MLWfA). Its aim is to create a project with an annual budget of £750,000 for four years, totalling £3m (a reduction from the current budget of £4.8m). The GLA has been asked to provide financial support of £87,500 for 2025-26.
- 1.8. If approved, this proposal will be funded from the Economic Fairness programme budget. That programme has an approved budget of £714,000 for 2025-26.
- 1.9. Beyond the specific objectives of the Making London Work for All initiative, the GLA's funding contribution will help to realise:
- efforts to accredit all the functional bodies of the GLA Group to Living Hours
 - embedding the real Living Wage and Living Hours in Mayoral planning power, asset management and procurement plans
 - supporting joint work with GLA on delivery of the London Growth Plan, which aims to address in-work poverty through fair pay and good work.
- 1.10. The Supporting Londoners to Benefit from Growth Programme Board gave in-principle agreement in May 2025 for officers to develop a funding agreement with the Living Wage Foundation for a four year initiative. Following further work to develop this proposal, approval is now sought for the commitment of £87,500 for the first financial year only, up to 30 March 2026.
- 1.11. Approval for this funding commitment is sought through a Director's Decision, under the delegated authority granted by the Mayor to the Executive Director of Communities and Skills (the Director) to authorise the use of resources for named projects in the Supporting Londoners to Benefit from Growth Delivery Plan ([MD3395](#)).
- 1.12. Any proposal for the GLA to fund the initiative beyond 2025-26 would be subject to a new decision and usual GLA budget-setting processes.

2. Objectives and expected outcomes

- 2.1. The London Growth Plan sets out London's ambitions to continue to drive prosperity in the UK. However, it notes that the challenging economic context has exposed or worsened inequalities, with many Londoners excluded from contributing to and benefitting from growth. To deliver the London Growth Plan ambitions for inclusive growth, the Plan commits to making London a centre of excellence for fair pay and good work. This will mean ensuring more Londoners are paid the London Living Wage, in the context of 14 per cent of London workers currently being paid below this level. The grant to the Living Wage Foundation will therefore help the GLA to realise this ambition.
- 2.2. This agreement to fund the MLWfA initiative will be assessed against the following measures:
 - increasing the number of living wage employers by 300, delivering pay rises for 5,000 Londoners
 - expanding Living Wage Places to new areas- for example, Old Oak and Park Royal, and East Bank
 - increasing adoption of Living Hours (an accreditation for employers committing to secure work), doubling accreditations year on year
 - increasing adoption of Living Pensions (an accreditation for employers committing to fair pensions), doubling accreditations year on year
 - establishing the MLWfA operating structures and sectoral action strands for the full-length of the initiative.
- 2.3. Specific quarterly milestones targeted by the grant will be defined in the funding agreement, to be delivered by 30 December 2025 and 30 March 2026 respectively. They will align with the aims and reporting timelines of the Supporting Londoners to Benefit from Growth Delivery Plan (as defined in [MD3395](#)).
- 2.4. Delivery against the grant funding agreement will be monitored quarterly by the Economic Fairness team, with the defined milestones required to be met before funding is released to the Living Wage Foundation.
- 2.5. This decision does not commit the GLA to funding the initiative beyond March 2026. However, if a decision is taken in future to fund in future years, the Living Wage Foundation is able to define delivery milestones on a quarterly basis up to September 2029.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA (including the Mayor of London) must comply with the Public Sector Equality Duty (PSED) when exercising its functions. The PSED is a duty to have due regard to:
 - eliminate discrimination, harassment, victimisation, and any conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity, between people who share a relevant 'protected characteristic' and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not.
- 3.2. The protected characteristics under section 149 of the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, marriage or civil partnership (but only in respect of the

requirement to have due regard to the need to eliminate discrimination), race, (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation. Consideration of the PSED is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken, to ensure that equalities impacts are kept under ongoing review.

- 3.3. The Living Wage Foundation have analysed low pay in London. There are significant disparities in how low pay affects different groups. For example:
 - more than half of young workers between 18-21 are low paid – considerably more than any other age group in London
 - minority ethnic workers are twice as likely to be low paid than White workers in London (20 per cent compared with 10 per cent)
 - London workers born outside the UK more commonly receive low pay than those born in the UK (17 per cent compared with 11 per cent).
- 3.4. As such, the project's aim to increase the number of Londoners paid the London Living Wage is likely to positively affect those groups currently most affected by low pay. Its additional focus on Living Hours also seeks to support Londoners in insecure work or with irregular hours experiencing variable pay and working conditions.
- 3.5. Annual increases in the London Living Wage rate could have the unintended consequence of increased disparity between those who are paid the Living Wage and those who are not. This is why Making London Work for All looks to increase both the number of accredited employers and the number of roles paid the London Living Wage. This will ensure more Londoners benefit from fair pay; and will drive down the proportion of Londoners who are paid below this rate.

4. Other considerations

Key risks and issues

- 4.1. Should the GLA not provide funding for the Making London Work for All initiative, there is a risk that the benefits will not be delivered. This would create a considerable reputational risk, given the focus on:
 - making London a centre of excellence for fair pay and good work in the London Growth Plan
 - the GLA's aim of supporting Londoners to benefit from growth
 - the GLA's intention support the Living Wage campaign and Living Hours accreditations both within the GLA Group and London as a whole.
- 4.2. The GLA does not often provide grant funding over consecutive years. Given there is not currently a finalised budget for the Economic Fairness programme beyond 2025-26, this decision does not commit the GLA to provide longer-term funding to the Living Wage Foundation. The grant agreement therefore includes quarterly review points and a break clause to allow for a change in the GLA's financial position, and for the GLA to terminate the agreement for any reason (giving two months' notice).
- 4.3. Any proposal to fund the initiative into future years would be subject to a new decision.
- 4.4. The GLA Economic Fairness team has conducted a subsidy control analysis. It concluded that the Living Wage Foundation would not be acting in the capacity of an "enterprise" and not receiving an "economic advantage". The Living Wage Foundation is the only organisation with authority to

administer accreditation of employers as Living Wage employers. Therefore, the proposed award does not constitute a “subsidy” for the purposes of the Subsidy Control Act 2022.

Links to Mayoral strategies and priorities

- 4.5. The London Growth Plan seeks to deliver inclusive growth. In that context, it seeks to make London a centre of excellence for fair pay and good work. This will mean ensuring more Londoners are paid the London Living Wage, in the context of 14 per cent of London workers currently being paid below this level. The grant to the Living Wage Foundation will therefore help the GLA to realise this ambition.
- 4.6. The outcomes delivered by the Making London Work for All initiative form part of the 'embedding good work across the capital' project in the Supporting Londoners to Benefit from Growth Programme.
- 4.7. Living Wage accreditation is a requirement for employers who wish to engage with the Mayor's Good Work Standard. As such, a sustainable infrastructure for the Living Wage Foundation to accredit employers and continue its campaigning in London is required to maintain and expand the reach of the Mayor's Good Work Standard.

Consultations and impact assessments

- 4.8. The climate and equalities tool was used to assess this proposal. The results of that assessment are included as Appendix A.

Conflicts of interest

- 4.9. No officers involved in the drafting or clearing of this Mayoral Decision has any interests to declare.

5. Financial comments

- 5.1. Approval is requested for the expenditure of £87,500 in 2025-26 to the Living Wage Foundation, to support delivery of the next phase of the Making London a Living Wage City initiative.
- 5.2. The budget lines are included in the Strategic Delivery Plan for Supporting Londoners to Benefit from Growth.
- 5.3. All appropriate budget adjustments will be made.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions sought concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion of economic development and wealth creation in Greater London. In formulating the proposals in respect of which a decision is sought, officers must comply with the GLA's related statutory duties to:
 - pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the UK
 - consult with appropriate bodies.

- 6.2 In taking any decisions sought, the Director must have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion, gender reassignment) and persons who do not (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to Section 3 (above) of this report.
- 6.3 The Subsidy Control Act 2022 requires that grant funding be assessed in relation to its four-limbed test. Officers have made this assessment at paragraph 4.3 above and have concluded that the proposed funding does not amount to a subsidy.
- 6.4 If the Director makes the decisions sought, officers must ensure that the award of grant funding is made fairly, transparently, in accordance with the GLA’s equalities requirements and with the requirements of GLA’s Contracts and Funding Code and a funding agreement is put in place between and executed by the GLA and the Living Wage Foundation before any commitment to fund is made.

7. Planned delivery approach and next steps

7.1. The work will be delivered according to the following schedule:

Activity	Timeline
Grant agreement signed	Upon approval of this decision
Grant agreement start date	Immediate. First milestone at end Q3 2025-26 (30 December 2025)
Grant agreement review point	Quarterly, with defined delivery milestones detailed within the agreement itself
Funding end date	March 2026 (or should the GLA wish to terminate, with two months’ notice)

Appendices and supporting papers:

Appendix A: Climate and Equalities Assessment results summary

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme/s does this fall within:

Supporting Londoners to Benefit from Growth

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Shaun Lowthian has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Alex Conway has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 15 December 2025.

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Fay Hammond

Date

19 December 2025