GREATER**LONDON**AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2810

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

Programme: Supporting Londoners to Benefit from Growth

Executive Summary:

This decision requests approval of the GLA's award of grant funding to the Living Wage Foundation as a contribution to the costs of its Making London Work for All project. It follows an earlier decision (under Director Decision (DD)2777) to fund £87,500 towards the initiation of the project in 2025-26, which has now concluded.

The project aligns with the London Growth Plan ambition to make London a centre for excellence for fair pay and good work by tackling the number of Londoners paid below the London Living Wage. Increasing the number of Living Wage employers is a deliverable in the Supporting Londoners to Benefit from Growth Programme.

The GLA funding requested (up to £150,000 per annum, totalling £450,000 up to March 2029) will form part of a coalition of funding from other partners for the project's total budget £1.52m.

Delivery of this activity falls in the Partnerships for Good Work project, under the Supporting Londoners to Benefit from Growth programme. This decision is sought under the delegated authority for further decision making to the Executive Director, Communities and Skills as the Senior Responsible Officer for Supporting Londoners to Benefit from Growth programme in Mayoral Decision (MD)3395 under category two for expenditure decisions linked to named projects.

Decision:

That the Executive Director of Communities and Skills approves the allocation and award of up to £450,000, over three years from 2026-27 to 2028-29, to the Living Wage Foundation, as a contribution to the costs of delivering its Making London Work for All project.

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, Communities and Skills
Signature: T. Olayinka	**Date:** 19 June 2026

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 the Making London a Living Wage City (MLLWC) project in September 2021. This is one of two city-region living wage campaigns, with a second in Greater Manchester. This initial project was funded initially for three-years, with the aim to increase the number of accredited employers in London; uplift the wages of 50,000 Londoners; and 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. In this period, the GLA provided in-kind support but not financial contributions, outside of a small Royal Docks Living Wage Plan project. This included expenditure of £50,000 for three years approved under Director Decision (DD)2525.

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 project delivered:

- the London Living Wage to 58,000 Londoners, resulting in a wage increase of £345m for those workers, with a forecast of £2.8bn total additional wages by 2030
- a doubling of the number of London Living Wage employers from 2,000 to 4,000
- 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 found increases on previous accreditation trends of 159 per cent in all industries; 255 per cent in creative sector; 269 per cent in hospitality; and 287 per cent in health and social care. This progress was achieved despite the period covering the COVID-19 pandemic and significant business cost pressures.

1.5. The Living Wage Foundation has now developed and launched a second phase of the city-focused campaign, entitled Making London Work for All (MLWFA). This three-year phase works towards the below measures:

- increasing the number of living wage employers by 1,800 (to a total of 6,400), delivering pay rises for a further 30,000 Londoners and wage gains of £140m
- expansion of Living Wage Places (a place-based intervention focused on raising living wage uptake among employers in a given geographic area) 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 will also innovate and develop in new areas, particularly building on their community organising practice. Examples of new projects that the Living Wage Foundation are initiating 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; and 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 formed a coalition of funders and partners to deliver this phase of MLWFA. Trust for London and City Bridge Foundation have both committed £500,000 for the remaining three years of the project.

1.8. Mayoral Decision (MD)3395 approved the creation of the Supporting Londoners to Benefit from Growth (SLBG) programme and its delivery plan, including resources allocated to it. The programme board gave in principle agreement in May 2025 for officers to develop a funding agreement with the Living Wage Foundation. This project is identified under the Supporting Londoners to Benefit from Growth delivery plan strategic ambition three, Embedding good work across the capital.

1.9. Under cover of DD2777, the GLA provided financial support of £87,500 for the initiation of the project in 2025-26, but did not commit to further years while the GLA's wider funding context and outcomes from the GLA's budget-setting processes were being determined.

1.10. The Living Wage Foundation are now seeking a £150,000 per annum contribution from the GLA for the remaining three years of the MLWFA project (£450,000 in further funding), broadly commensurate with the contribution from the two other funders in the coalition.

1.11. It is proposed this funding would be allocated from the 'Embedding Good Work Across the Capital' project within the Supporting Londoners to Benefit from Growth programme. That project has an approved budget of £1.469m for 2026-27, with similar levels proposed in future years, subject to GLA budget setting processes.

1.12. Beyond the specific objectives of the Making London Work for All project, 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.

1.13. The initial £87,500 grant funding arrangement approved under DD2777 ended in March 2026. Following further work to develop this proposal and the Making London Work for All project itself, approval is now sought for a commitment of up to £450,000 to 30 March 2029. The funding agreement will permit the GLA to end the agreement without cause at any time on two-months' written notice.

1.14. 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 as the Senior Responsible Officer for the SLBG programme in MD3395 under category two for expenditure decisions linked to named projects.

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 delivery of the aims of Living Wage Foundation's MLWFA project, and therefore the GLA's proposed award of grant funding align with the London Growth Plan.

2.2. As noted above, the MLWFA project will be assessed against the following measures:

- increasing the number of living wage employers from by 1,800 (to a total of 6,400), delivering pay rises for a further 30,000 Londoners and wage gains of £140million
- expansion of 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.

2.3. Specific quarterly milestones for delivery of the project will be set out in the funding agreement. They will align with the aims and reporting timelines of the Supporting Londoners to Benefit from Growth Delivery Plan (as defined in MD3395). Delivery against the grant funding agreement will be monitored quarterly by the GLA's Financial and Economic Inclusion Team, within the Communities and Skills Directorate, with the achievement of defined milestones required to be met before funding is released to the Living Wage Foundation.

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:

- the need to eliminate unlawful discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act 2010
- advance equality of opportunity, and foster good relations, between people who share a 'protected characteristic' as defined in the Equality Act 2010 and those who do not.

3.2. The protected characteristics under section 149 of the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, marital or civil partnership status, race, religion or belief, sex, and sexual orientation. Compliance with the duty may involve ensuring people with a protected characteristic are provided with all the opportunities that those without the characteristic would have.

3.3. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.

3.4. The Living Wage Foundation have analysed low pay in London. There are significant disparities in how low pay affects different groups. For example:

- young workers between 18-21 are considerably more likely to be low paid than any other age group in London, with more than half of these workers being low paid
- 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 have a higher rate of low pay than those born in the UK (17 per cent compared with 11 per cent).

3.5. 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.

3.6. An unintended consequence of annual increases in the London Living Wage rate could be 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, to ensure more Londoners benefit from fair pay and to drive down the proportion of Londoners who are paid below this rate.

4. Other considerations

<u>Key risks and issues</u>

4.1. Delivery risks and mitigations are outlined below:

Risk description	**RAG rating**	**Mitigations**
GLA does not provide funding for the Making London Work for All Project, meaning the full benefits proposed by the project will not be delivered. 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; and the GLA's intention support the Living Wage campaign and Living Hours accreditations both within the GLA Group and London as a whole, there is a considerable reputation and delivery risk should these benefits not be delivered.	Amber	The Living Wage Foundation also has two other major funders agreed for the duration of the project. The Foundation will be able continue to deliver some campaigning on fair pay and administer new accreditations in London if no GLA funding is agreed, albeit at a smaller scale.
GLA budgets for latter years of the project are not currently set. Depending on outcomes for future years' budget processes, it may be necessary to cease funding before the project's completion.	Amber	The commitment to provide longer-term funding to the Living Wage Foundation needs to be indicative. The grant agreement has been modelled on similar agreements between the GLA and grant recipient organisations spanning multiple years. It will therefore include 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 without cause on two-months' written notice. The Living Wage Foundation are aware of this risk and planning for the potential to reduce delivery activity mid-project if the funding context requires this.
Subsidy control.	Green	The GLA has conducted a subsidy control analysis and concluded that the Living Wage Foundation in its delivery of the proposed project 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 and continues to do so independent of GLA funding. Therefore, the proposed award does not constitute a "subsidy" for the purposes of the Subsidy Control Act 2022.
Policy changes in the statutory National Minimum Wage and National Living Wage rates during the project's life cycle.	Green	The real Living Wage rate is voluntary and calculated independently from the Government's statutory rates. While changes to the statutory rate may influence discourse among employers, it is not anticipated to significantly affect accreditations, given those employers have already committed to pay rates above the statutory minimum. The focus of the Making London Work for All project extends beyond hourly pay rates, to also encapsulate wider measures of good work, including job security, predictable hours and pension saving.

Links to Mayoral strategies and priorities

4.2. The outcomes delivered by the Making London Work for All project form part of the 'embedding good work across the capital' project in the Supporting Londoners to Benefit from Growth Programme. It also complements 'Income Maximisation' goals by addressing in-work poverty among the lowest-paid workers in London's economy.

4.3. 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.

4.4. The London Growth Plan and Inclusive Talent Strategy seek to deliver inclusive growth. In that context, they seek 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.

Consultations and impact assessments

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

Conflicts of interest

4.6. No officers involved in the drafting or clearing of this Mayoral Decision have any interests to declare.

5. Financial comments

5.1. Approval is requested for the expenditure of £450,000 over three years from 2026-27 to Q2 of 2029-30, up to March 2029, to the Living Wage Foundation, to support the Making London Work for All project.

5.2. The table below details the proposed budget profile. The budget lines are included in the Strategic Delivery Plan - Supporting Londoners to Benefit from Growth.

	2026-2027	2027-2028	2028-2029	Total
Living Wage Foundation	£ 150,000	£ 150,000	£ 150,000	**£ 450,000**

5.3. Future year's budgets will still be subject to the annual budget setting process. Any contracts that cover future years will need to have break clauses. Any changes in the anticipated profile of spend across the years will be reflected as updates during the budget setting process.

5.4. 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 United Kingdom
- 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 three (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 4.1 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:

- no commitments are made in reliance of funds subject to future budget approvals until and ules those budgets are approved

- 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.

6.4 As the proposal in respect of which the decision is sought involves the making of a commitment which extends beyond the current Mayoral term, officers must ensure the terms of the funding agreement entered into do not have the effect of fettering the discretion of any successor administration, considering in particular the London elections taking place in May 2028. Accordingly, officers must ensure that the agreement includes a GLA right to terminate at any point for convenience (at no cost to the GLA) and the agreement is managed in such a manner, and any milestones and/or output requirements are structured so as to mitigate risks of the GLA incurring abortive expenditure (which might be reasonably be taken to fetter, practically, the exercise of such discretion).

7. Planned delivery approach and next steps

7.1. The next steps and delivery approach are as follows:

Activity	**Timeline**
Grant agreement signed	Upon approval of this decision
Grant agreement Start Date	Immediate. First milestones at end Q1 2026-27
Grant agreement review point	Quarterly, with defined delivery milestones detailed within the agreement itself
Funding end Date	March 2029 (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 either be published 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 (SLBG)

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 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: Tom Rahilly 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 June 2026.	

CHIEF FINANCE OFFICER:

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

Signature	**Date**
Peter Sebastian pp. Peter Sebastian, Assistant Director, Financial Services on behalf of Fay Hammond.	19 June 2026