

Stephen Knight AM, Chair, Economy Committee
City Hall
The Queen's Walk
London SE1 2AA

Dear Stephen,

Fair pay: Making the Living Wage the norm in London

The Living Wage Foundation welcomes the London Assembly Economy Committee's report on Fair pay and notes that both the previous and current Mayor and all parties on the London Assembly have supported the London Living Wage since its introduction in 2005.

Our experience of the enquiry process has been very positive with thorough stakeholder engagement at all stages leading to what we believe to be constructive recommendations.

You have invited us to respond to the specific recommendations made to the Living Wage Foundation and we are pleased to provide brief comments below. If you would like further detail please do feel free to contact me.

Recommendation 4

The Living Wage Foundation should set out a framework for Living Wage zones clearly stating that areas will become official zones only once the majority of low-paid workers' wages rise to, or track, the Living Wage and with an explicit aim for all low-paid workers to be paid the Living Wage in the future.

The Living Wage Foundation and the working groups for the Canary Wharf and more London Living Wage zones should publish an initial evaluation within the first year of the zones' development.

Response:

The Living Wage Foundation has developed a draft framework which is based on a continuous improvement process, covers the measurement of progress using; net square footage, numbers of employers and numbers of workers as well as scoping all different trades or professions in the Zone. In this fashion it should be possible to ensure that the Accreditation of a Zone represents real progress and as with other Standards it is subject to continuous improvement.

We will publish and publicly report on the creation of these initial Zones as part of the celebration of Living Wage Week in 2015.

Recommendation 5

The Mayor should target 30 catering and hospitality employers in 2014 alongside 30 high street retailers. The Mayor should report in both November 2014 and November 2015 on instances where this contact has contributed to Living Wage accreditation.

The Mayor and the Living Wage Foundation should jointly develop a cohort of 20 employer champions across low-pay sectors. These champions would advocate the Living Wage to their respective sectors.

Response:

The Living Wage Foundation continues to work closely with the Office of the Mayor and Deputy Mayor to encourage employers across all sectors to adopt the London Living Wage. We appreciate the support provided to the Foundation by the Mayor and Deputy Mayor using their convening powers to bring together employers who are considering adopting the London Living Wage.

Since the first Living Wage Week in November 2012 the number of accredited employers has grown from 76 to 650+. This covers all employment sectors as well as private, public and third sector organisations. We believe that all sectors have a role to play in eradicating low pay in London and will continue to engage with all sectors. For example charities whose objects include the relief of poverty or to improve the human condition also have a role to play as exemplars.

We are working with the Mayor's Office to invite a number of leaders to become their sector champions and have agreed their terms of reference and the initial cohort who we plan to announce 10th June 2014. It would be very helpful to have Assembly Members from all political parties as champions for the London Living Wage and we would be pleased to discuss this with you further.

As a footnote we would add that the role of the Assembly in drawing out the different strategic approaches to making the Living Wage the norm in London is helpful for a range of audiences as well as underlining the cross party support for the campaign. We will continue to rely on the active support of Assembly Members, be they champions or otherwise, to ensure that the issue of low pay remains on the agenda across London employers and are grateful to some of the Assembly Members who have taken up the issue within their constituencies.

We look forward to continuing to work with the members of the Economy Committee in the future.

Yours sincerely

M J Kelly
Chair, Advisory Council
Living Wage Foundation