

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2296

Title: Economic Fairness programme

Executive Summary:

Economic Fairness was a key theme in the Mayor's 2016 manifesto. The GLA initiated a programme of work in October 2016, bringing together the GLA and Mayor's Office leads with responsibility for implementing related manifesto commitments. Since then the Mayor's vision for a fairer and more inclusive economy has been set out in the draft Economic Development Strategy and in the recently published Equality Diversity and Inclusion Strategy, and includes a range of workstreams being delivered across City Hall and the GLA Group. An initial key project is the Mayor's proposal to create a Good Work Standard to improve pay and working conditions for all people and make London the best city in the world to work. The decisions sought concern: activity to be undertaken to establish the working arrangements for the Economic Fairness programme; and related expenditure.

This decision form should be read alongside MD 2314 – Equality and Fairness workplan, 2018-19.

Decision:

The Mayor:

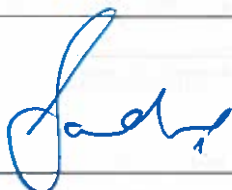
1. approves expenditure of up to £0.55m for the Mayor's Economic Fairness programme;
2. delegates authority to the:
 - Executive Director of Development, Enterprise and Environment and [in Executive Director's absence] the Assistant Director for Regeneration and Economic Development to approve detailed expenditure proposals within the parameters of the expenditure approved under decision 1 above, for delivery of the Good Work Standard and elements of the Economic Fairness programme led by the Regeneration and Economic Development team; and
 - Executive Director for Communities and Intelligence to approve detailed expenditure proposals within the parameters of the expenditure approved under decision 1 above and by MD 2314, for the requirements of elements of the programme led by the Communities and Social Policy team.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

15/7/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Economic Fairness was a key theme in the Mayor's 2016 manifesto, articulated in a number of pledges. The headline manifesto commitment was to establish an Economic Fairness team at City Hall to implement the range of commitments that promote economic fairness. The Economic Fairness programme is being delivered by officers across a number of GLA policy teams working together and reporting to a steering group which brings together resources from across the GLA Group. The key elements of this programme of work are:
- Leading by example to ensure that the employment and procurement practices of the GLA group are exemplary;
 - Influencing employers and businesses to adopt model employment practices through the Good Work Standard;
 - Making sure that all the Mayor's policies and strategies promote economic fairness – key elements of this are outlined in the Mayor's Equality, Diversity and Inclusion and Economic Development Strategies; and
 - Working with central government, local authorities, trade unions, civil society, financial institutions and Londoners to tackle poverty, financial exclusion and other issues that affect low income Londoners in particular.

2. Economic Fairness programme

- 2.1 The Economic Fairness programme includes a range of policies and initiatives addressing the issues facing low income Londoners, including promotion of employment rights, welfare reform, and financial inclusion. There is further detail on some of these initiatives in MD 2314 – Equality and Fairness workplan, 2018-19.
- 2.2 The Mayor's Good Work Standard is a key first initiative under the Economic Fairness programme. It is intended to encourage employers to implement the very best employment standards in London. With fair pay and the London Living Wage at its heart, the Mayor's Good Work Standard will support employers to adopt best practice and achieve high standards in areas such as working conditions, diversity and inclusion, flexible working, health and wellbeing, apprenticeships and training, and communication with employees. This will not only help to address inequalities; better pay and conditions should also improve staff retention and productivity.
- 2.3 This decision form proposes the establishment of a budget of £550k to support the Economic Fairness programme, subject to detailed approval in line with the Scheme of Delegation. Investment will:
- Enable the GLA to deliver the Good Work Standard, including by:
 - Promoting model employment standards, supporting employers to adopt best practice policies in the Mayor's Good Work Standard and make an immediate impact on the people management skills of smaller employers – this could include encouraging employers to follow in areas where the GLA is leading by example, for example through the publication of ethnicity pay gaps or using sponsorship initiatives to improve workforce diversity at senior levels;
 - Exploring options for the development of an accreditation programme, including working with employers, trade unions and other relevant stakeholders engaging and supporting

employers in tackling the challenges to growth and shared prosperity, such as through increasing take-up of the London Living Wage and promoting skills development and progression; and

- Ensuring that evaluation arrangements and a feedback loop are in place so that the Standard remains relevant and focussed on its aims.
- Support and coordinate a wide range of initiatives targeted at low-income Londoners, to ensure that synergies and opportunities for maximising impact (including by learning and dissemination of best practice) are identified and exploited. There is further detail on some of these initiatives in MD 2314 – Equality and Fairness workplan, 2018-19

2.4 The GLA also proposes to continue engaging a wide range of stakeholders including employers' associations, local authorities, trade unions and civil society groups. This will include developing opportunities that augment the activities proposed in this report. For example, the wider GLA Group will also be encouraged to ensure their supply chains and networks are engaged in supporting the Good Work Standard.

3 Staffing and governance

3.1 The Economic Fairness programme (including the Good Work Standard) is overseen by the Economic Fairness Steering Group, which is chaired by the Senior Advisor to the Mayor for Business and Digital Policy and brings together GLA Group teams and Mayor's Office leads with a responsibility for implementing manifesto commitments related to a fairer and more inclusive economy. This group will be responsible for developing and monitoring the progress of the programme and approving any changes to actions and implementation plans set out in this report.

3.2 This funding will be used to create a new post to lead on Economic Fairness, accountable to the Mayor's Office and based in the Regeneration and Economic Development Team but with a responsibility to work across the organisation to deliver the aims of the Economic Fairness programme.. The post will be partly supported by existing staff resources within the Regeneration and Economic Development Team, Communities and Social Policy Team, and Intelligence Unit who are already working on the Economic Fairness programme. An HR O&D Project Manager is already supporting the secretariat, monitoring and project management of this programme, which includes workstreams delivered by officers across a number of GLA teams.

3.3 Further staff resources will also be needed in the Regeneration and Economic Development team for the development and ongoing running of the Good Work Standard, and these will be funded as part of the overall expenditure approved within this report.

4 Objectives and expected outcomes

4.1 The objectives of the programme are to:

- a) Develop and coordinate a range of initiatives to maximise incomes, support financial resilience, mitigate the impacts of poverty, and promote social mobility. There is further detail on some of these initiatives in MD 2314 – Equality and Fairness workplan, 2018-19.
- b) Raise awareness of the Good Work Standard with a diverse range of London employers of different sizes and sectors, encouraging them to sign up and use the resources being offered by City Hall.
- c) Support employers to engage with the Mayor's Good Work Standard programme and achieve high standards in areas such as fair pay, working conditions, diversity and inclusion, flexible working, health and wellbeing, apprenticeships and training, and communication with employees.

- d) Support employers to participate in the Mayor's economic fairness policies and initiatives set out in Mayoral strategies and implementation plans, including the Economic Development Strategy, Better Health for all Londoners, Skills for Londoners, and Inclusive London.
- e) Increase participation of employers in 'good work' programmes and accreditation schemes led by local authorities, civil society and business representative organisations. This will include increasing participation in the voluntary accreditation scheme provided by the Living Wage Foundation and business rate discount schemes related to this provided by some London borough councils.
- f) Bring strategic co-ordination to the provision of advice services on topics such as employment rights and other entitlements to ensure that Londoners can more easily access advice and support.
- g) Conduct effective engagement with stakeholders whose main focus is on poverty/low-income Londoners. This will be accomplished in part through the stakeholder engagement arrangements being put in place as part of the implementation of the Mayor's Equality, Diversity and Inclusion Strategy. Again, there is further detail in MD 2314.

4.2 These actions will help employers to support measures set out in the Economic Development Strategy and other Mayoral strategies:

- a) Increasing the numbers of Londoners who are paid at least the London Living Wage and whose employment conditions support their financial health and security.
- b) Londoners regardless of their gender, age, ethnicity, faith, sexual orientation or disability have genuine access to the many opportunities to get into work and progress, and receive the support they need to do so.
- c) Pay and employment gaps between different groups should be narrowed.
- d) Investing in training and workforce development (including apprenticeships), making more effective use of the existing skills of the London workforce and non-traditional learning and development such as employer supported volunteering.
- e) Supporting employee voice, well-being and satisfaction, through healthier workplaces and supporting 'family-friendly' policies, such as increasing the availability of part-time and flexible working.

4.3 Underpinning this is a piece of work led by the GLA Intelligence Unit to ensure there is an agreed set of key indicators and an evaluation plan for the Economic Fairness programme.

5 Equality comments

5.1 The Mayor's Good Work Standard is an initiative that will directly deliver against one of the objectives in 'Inclusive London', the Mayor's Equality, Diversity and Inclusion (EDI) Strategy. Through the development and consultation of this strategy, GLA officers have examined how the Good Work Standard will help to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a protected characteristic under the Equality Act and persons who do not.

5.2 Objective 20 states that the Mayor will: "...work with employers and their organisations, unions, and the voluntary sector to help ensure London's employers have fair and inclusive employment practices to retain and help their employees progress. There will be a focus on those groups that experience major barriers at work."

5.3 The strategy identifies a number of specific equality issues within this broader objective, including that:

- A number of groups including women, those with caring responsibilities, certain BAME groups, disabled people and younger people are more likely to be in low-paid work. Women, ethnic minority men – especially migrants – and disabled people experience pay gaps.
- Women, carers, disabled and older people are held back by a lack of flexible working opportunities.
- Women, ethnic minorities and those from lower socio-economic backgrounds are under-represented in STEM and creative professions.
- Women and ethnic minority groups are under-represented at senior levels in the workplace.

5.4 The Good Work Standard seeks to address these gaps by supporting employers to find and adopt best practice related to embracing equality, diversity and inclusion in the workplace. This should lead to positive benefits for groups of Londoners who experience employment and pay gaps, such as women, Londoners from lower socio-economic backgrounds and some ethnic minority groups, and disabled people.

5.5 There are a number of other objectives in the EDI strategy that initiatives targeted at low-income Londoners will contribute towards. These include:

- Objective 12 (fuel poverty)
- Objective 13 (child poverty)
- Objective 15 (early education)
- Objective 18 (lifelong learning)
- Objective 19 (barriers to employment)
- Objective 21 (workforce diversity in specific sectors)
- Objective 22 (business support)
- Objective 24 (affordable transport)

5.6 The Economic Fairness Steering Group will give consideration in the initiatives it oversees and develops to the evidence outlined in the EDI strategy and evidence base about the barriers that specific groups face.

6 Other considerations

a) Key risks and issues

| Risk | Mitigation measures | Current probability (1-4) | Current impact (1-4) | RAG | GLA Lead |
|---|--|---------------------------|----------------------|-----|---------------------------------------|
| Employers don't engage with the Good Work Standard, because it is felt to be too hard or not useful | The programme is being informed through consultation & testing with employers to understand needs and requirements. It will build on existing activity by City Hall, local authorities and others across London to engage employers in 'good work' policies. It is also a requirement set out in the GLA Group Responsible | 2 | 3 | A | Regeneration and Economic Development |

| | | | | | |
|---|---|---|---|---|---------------------------------------|
| | Procurement Policy. | | | | |
| The GLA Group must be seen to be leading by example in order to credibly influence others to do the same. | The functional bodies are represented on the steering group and have committed to ensure all parts of the GLA Group are engaged in supporting the Good Work Standard and promoting it through their networks and supply chains. | 2 | 3 | A | Regeneration and Economic Development |
| Lack of clarity on internal arrangements hinders delivery | New economic fairness sub-group will help clarify roles and working arrangements | 2 | 3 | A | Regeneration and Economic Development |

b) Links to Mayoral commitments

6.1 In his draft Economic Development Strategy, the Mayor commits to:

"Recognise and celebrate businesses that promote high standards in employment and procurement through the new Good Work Standard for London.

Promote fair pay and good employment practices through the Good Work Standard and help to establish London as a Living Wage city.

Provide guidance on being a good employer of disabled people to support more disabled people to find and progress in work, and keep older workers (50+) engaged with the workforce."

6.2 The Good Work Standard is also a commitment in the Skills for Londoners strategy and draft Better Health for All Londoners strategy.

c) Impact assessments and consultations

6.3 The Mayor's Good Work Standard programme was informed by a public call for evidence process. This initially ran from 4 July to 16 August 2017, and was extended to the 18 September to allow some organisations more time to respond. 72 responses were received to a set of consultation questions asking for views about the goals, criteria, opportunities and challenges for employers. A further feedback session on 22 January 2018 with attendees representing approximately 55 business, public sector, civil society, and trade union organisations allowed officers to consider expert policy input alongside employers' views. This was used to address some of the outstanding questions and challenges raised during the call for evidence process, and refine the proposals set out in this report.

7 Financial comments

7.1 As part of the 2018-19 GLA budget process a budget provision of £500,000 has been earmarked within the 2018-19 budget for the GLA's Economic Fairness Programme. The balance of £50,000 for this proposal will be funded from the Communities & Intelligence Minor Programme budget for

2018-19 if required.

- 7.2 It should be noted that given the programme is scheduled to be completed around July 2020, the budget provision of £550,000 currently accounted for within the 2018-19 GLA budget will be subject to budget re-profiling to ensure that budget is aligned to when programme expenditure is due to take place. This will form part of the 2019-20 GLA budget process.

8 Legal comments

- 8.1 The foregoing sections of this report indicate that:

8.1.1 The decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, and or be facilitative of or conducive or incidental to the furthering of, the promotion of economic development and wealth creation in Greater London; and

8.1.2 In formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:

- (a) Pay due regard to the principle that there should be equality of opportunity for all people;
- (b) 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; and
- (c) Consult with appropriate bodies.

- 8.2 In taking the decisions requested, the Mayor 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, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 5 (above) of this report.

- 8.3 To the extent that it is proposed that expenditure:

8.3.1 Is incurred on the procurement of works, services or supplies, officers must ensure that the works, services or supplies are procured in accordance with the GLA's Contracts and Funding Code and that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of any works, services or supplies; and

8.3.2 Will amount to the provision of grant funding as a contribution to related third party project costs and not a payment for services to be provided, officers must ensure that the proposed funding is disbursed in a fair and transparent manner in accordance with the GLA's Contracts and Funding Code and a funding agreement is put in place between and executed by the GLA and any proposed recipient(s) before any commitment to provide the funding is made.

- 8.4 Officers must comply fully with all GLA HR/Head of Paid Service protocols in respect of any staffing proposals, in particular the need to gain all necessary approvals for the creation of new posts.

- 8.5 The Mayor may, under section 38 of the Greater London Authority Act 1999, delegate the exercise of the GLA's functions to the Executive Director of Development, Enterprise and Environment and Executive Director for Communities and Intelligence as proposed should he so wish.

9 Planned delivery approach and next steps

| Activity | Timescales |
|--|-----------------|
| Develop full work programme in line with the work priorities outlined within this decision | Jul-Sept 2018 |
| Recruitment of staff | Jul-Sept 2018 |
| Evaluate proposals on potential accreditation scheme | July 2018 |
| Start promotion of Good Work Standard and provision of support | Oct – Dec 2018 |
| Interim evaluation (self-external) | Jun - Sept 2019 |
| Delivery end date | April 2020 |
| Post-project evaluation | May – Jul 2020 |

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Nathan Davies has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Nick Bowes has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Rajesh Agrawal has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 9 July 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Llc

Date

9.7.18

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

9/7/2018.

