

MAYOR OF LONDON

THE MAYOR OF LONDON'S GOOD WORK STANDARD

A call for evidence

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"[I will] establish a new team in the Mayor's Office dedicated to economic fairness...The team will forge a new business compact - based on exemplary standards in pay and employment rights for workers."

'A Manifesto for All Londoners'

Introduction

This is a call for evidence on the Mayor's vision for a new compact creating a Good Work Standard with London employers. It will recognise and promote good practice in employment, and goals the Mayor and other employers can share that will help to make London the best city in the world in which to work.

It aims to promote fair pay, excellent working conditions, diversity and inclusion, good work-life balance, health and well-being, opportunities for professional development and lifelong learning, and employee voice and representation in London's workplaces. In doing so we aim to support the spread of opportunity, and increase social integration and social mobility across London.

We are interested in hearing from organisations and individuals with expertise in employment practices in business, the public sector, charities, trade unions, professionals and other experts on employment and workplaces within wider civil society and academia. We invite you to submit written evidence to the Mayor, responding to the questions highlighted throughout this document and any other information you think we should consider.

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London's economic fairness challenges

The Mayor wants all Londoners to benefit from the city's success, so that opportunity and prosperity are shared. That means tackling discrimination and disadvantage, and making London fairer by enabling all Londoners to share in our city's prosperity. However, we know that a number of aspects of London's economy are unfair. The following are some, but by no means all, of the examples of the way that this unfairness manifests itself:

- Not all workers enjoy adequate workplace rights nor receive at least the London Living Wage. We want all Londoners to be paid and treated fairly by their employers.
- Some people and groups continue to face discrimination at all levels of the labour market. We want all Londoners to be treated fairly regardless of their gender, ethnicity, disability, age, faith, and sexual orientation.
- Pay gaps exist between a number of different groups. For example, on average, women are paid less than men and BAME groups are paid less than white groups. We want to see a narrowing of these pay gaps, and others, over time.
- There are a number of groups who are more likely to be unemployed than others. For example, disabled people who want to work are less likely to be in employment than those without disabilities. BAME Londoners are less likely to be employed than white Londoners. Women with children who want to work – and lone parents especially – have particularly low employment rates compared to the rest of the UK. We want to see a narrowing of these employment gaps, and others, over time.
- Too many people are unable to access or afford the financial advice and products they need to manage everyday tasks, fully engage in society, and plan for the future. We want to see a reduction in levels of problem debt, unbanked or uninsured households, as well as increases in financial literacy, and awareness and take-up of affordable credit products and debt advice services.

The aim of the Mayor's Good Work Standard

The Mayor's vision is for a new compact to help make London the best place in the world to work and a fairer place to live. He believes this can be achieved by working with employers to create a Good Work Standard for London – a set of goals related to fairness at work like fair pay, excellent working conditions, and diversity and inclusion.

The Mayor is determined that City Hall and the organisations he has responsibility for, will lead by example as employers and work with their suppliers to support the goals of the Good Work Standard. Almost 80,000 people – 1.4 per cent of London's workforce – are employed across City Hall, and the capital's transport, police and fire services. The GLA Group spends £11bn per year with its suppliers who also employ many people. For example, TfL estimates that in London alone its suppliers employ over 30,000 people. As a result, the Mayor can improve many Londoners' experiences of work through the GLA Group's practices.

The Mayor can also ask the capital's employers to help solve London's economic fairness challenges. London is home to many large companies, but most of its half a million active companies are small and medium-sized businesses. It also has the highest start-up rate of any region in the UK. In addition the capital has a public sector workforce of close to 1.2 million and a large voluntary sector. The Mayor's aim is to support and enable employers of all sizes and sectors in London to work towards achieving the goals of the Good Work Standard.

The Mayor believes fair pay and excellent working conditions should be central to the goals of the Good Work Standard. This would mean employers who sign up commit to:

- Gaining accreditation as a London Living Wage employer, with all their workforce paid the voluntary London Living Wage as a minimum (the rate for 2017 is £9.75 per hour)
- Ensuring everyone in their workforce has excellent working conditions and is treated fairly, and their terms of employment are not exploitative or unlawful, such as through the inappropriate use of 'zero hours' contracts to exploit people in low-paid roles.

The following are examples of other developmental goals that employers signing up to the Good Work Standard would be encouraged to commit to and take steps to reaching over time:

- Embedding diversity and inclusion into how they hire, train, manage and reward at all levels of the workforce, considering characteristics like gender, ethnicity, disability, age, faith, and sexual orientation.
- Promoting a flexible working culture and other policies that support the workforce in achieving a balance between their work and personal life. This could include supporting parents returning to work and people with other types of caring responsibilities.
- Developing a policy around workforce health and wellbeing, and improving understanding around mental and physical health. This could include adopting the London Healthy Workplace Charter.
- Supporting people to manage costs and finances through access to affordable financial products and advice. This could include partnering with a credit union or offering payroll loans, such as those for childcare, rental deposits, and travel season tickets.

- Creating employment opportunities for young Londoners from lower socio-economic backgrounds, such as through high quality apprenticeship and technical entry routes. This could include building on the London Ambitions scheme to offer career advice and experience of the world of work for young Londoners below the age of 16.
- Supporting lifelong learning for those who wish to retrain and upskill, such as by providing paid leave for training or skills-based volunteering, helping with tuition costs through loans or subsidies and building learning into appraisals.
- Supporting practices and a culture that enables employees to have a voice, and engage and participate in the organisation’s future. For example, through recognition of and constructive engagement with trade unions, or workforce representation on boards.

Figure 1: A model of the Good Work Standard goals



We recognise there are a wide range of ‘responsible business’ practices and ways that employers can help to make London a better place to work and live. This includes environmental actions for a more resource-efficient city or helping deprived communities through philanthropy. However, the compact proposed in this publication is focussed on making London a great place to work and on the employment practices that will help to make this vision a reality.

Questions:

- 1. Are there any other goals we should consider, which are related to work and employment specifically?**
- 2. What can we do to ensure that the Good Work Standard helps to extend social mobility, and supports people working in occupations where low pay, poor progression and other poor workplace practices are more commonly found?**
- 3. What standards should employers meet to ensure fair treatment and excellent working conditions for their workforce?**
- 4. Are there ways in which some firms’ business models create unfair outcomes for clients and customers, such as tariffs or payment plans that are unfair to those on lower incomes, that could be addressed in the Good Work Standard?**

The benefits of the Good Work Standard to employers

We believe that being a good employer makes good business sense. For example, employers who are London Living Wage accredited have been shown to enjoy a reputational boost from consumers and clients knowing they are doing business with an ethical employer. A workforce paid at least the London Living Wage has higher morale, and people feel more positive about their employment and employer, and improve their performance at work.¹

We know that the opposite is also true. Financial worries make it harder for people to perform well at work and can make life at home more difficult. Debt and money problems are also factors that can trigger mental health problems like depression and anxiety. Living Wage accreditation is a badge of pride for an employer and a guarantee to their workforce, their customers and clients, and their shareholders and investors that all workers are getting paid enough to provide them with a decent standard of living. However, it is also a measure that can benefit the 'bottom line' and help to create outcomes that make employers more resilient and likely to thrive and prosper.

Across London only a third of managers, directors and senior officials are women and just over a quarter are from BAME backgrounds. Larger employers (with over 250 employees) have started mandatory reporting on gender pay gap ratios and many have also been working towards voluntary targets to improve gender balance and ethnic diversity at senior levels. Companies that commit to diverse leadership and embed diversity into how they manage their workforce are more successful and have more engaged workforces, and smaller firms could benefit from this as well.²

Questions:

- 5. What other evidence is there that could be used to communicate the business case behind the Good Work Standard's goals to employers?**
- 6. What learning or best practice is there that would be relevant to evaluate the Good Work Standard's success?**
- 7. What are the challenges for employers in London in implementing the policies and goals of the Good Work Standard?**
- 8. What are the most effective measures employers of all types and sizes can take to support the Good Work Standard's goals?**

¹ London Economics, An independent study of the business benefits of implementing a Living Wage policy in London (for GLA Economics), (February 2009)

https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/archives/mayor-economic_unit-docs-living-wage-benefits-report.pdf

² Department for Business Innovation and Skills, The Business Case for Equality and Diversity: a survey of the academic literature (2013)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/49638/the_business_case_for_equality_and_diversity.pdf

Recognition of employers through the Good Work Standard

The Mayor intends to partner with employers of all sizes and sectors to develop his Good Work Standard, so it is informed and led by businesses, the public sector, charities, trade unions, professionals and other experts on employment and workplaces within wider civil society and academia. It is intended that participating organisations will be recognised on london.gov, and employers with outstanding practices could be named and celebrated through wider promotion of the Good Work Standard.

The Good Work Standard could include recognising different tiers or levels of achievement, depending on the type and size of employer, and how far they have progressed with achieving its goals. We recognise not all employers will be equipped to achieve the same standards. Large organisations should be able to also work with their suppliers to support the goals of the Good Work Standard in their wider workforce. However, smaller businesses are less likely to operate at the same scale, including having human resource and corporate functions that help organisations develop effective workforce policies and standards. Start-ups may find it difficult to commit to the Good Work Standard's goals and implement these at the same pace as more established employers.

The Mayor's Good Work Standard will be based on expertise and best practice in responsible employment practices. It is likely that achievement across some goals could be measured through partnerships with existing programmes or accreditation schemes that have been demonstrated to work through previous engagement with employers and their workforce. This could include schemes that ask employers to do things like benchmarking performance against a set of best practice criteria or adopting best practice policies around how staff are hired, trained, managed and rewarded. More generally the Good Work Standard could signpost employers to support and resources that will support their progress towards its goals.

Questions:

- 9. What can the Mayor do to make employers more likely to sign up to the Good Work Standard's goals?**
- 10. How should the Mayor recognise employers who sign up to the Good Work Standard's goals?**
- 11. What role can responsible procurement play in supporting the goals of the Good Work Standard?**
- 12. Are there ways in which your organisation would be able to support the Good Work Standard?**

Guidance on providing your response

We would encourage you to be concise and limit your response to less than 1500 words, and include all annexes and references for supporting evidence within a single document (preferably Microsoft Word or Open Document format, not PDF). Please state clearly the questions you are responding to, such as by referring to the question as a section heading. You are not required to respond to all of the questions.

We would be grateful if you could reply by email to fairness@london.gov.uk by 18 September 2017.

We may be required to release a copy of your submission under the Freedom of Information Act 2000, even if it has been marked as confidential. In any event we will ensure that information or data that could identify particular individuals and service users will be removed before publication. Please state clearly who the submission is from and whether it is sent on behalf of an organisation or in a personal capacity.

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Chinese

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Hindi

यदि आप इस दस्तावेज की प्रति अपनी
भाषा में चाहते हैं, तो कृपया निम्नलिखित
नंबर पर फोन करें अथवा नीचे दिये गये
पते पर संपर्क करें

Vietnamese

Nếu bạn muốn có văn bản tài liệu
này bằng ngôn ngữ của mình, hãy
liên hệ theo số điện thoại hoặc địa
chỉ dưới đây.

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি
(কপি) চান, তা হলে नीचेर ফোন নম্বরে
বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος
εγγράφου στη δική σας γλώσσα, παρακαλείστε να
επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυ-
δρομικά στην παρακάτω διεύθυνση.

Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں
چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر
پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Turkish

Bu belgenin kendi dilinizde
hazırlanmış bir nüshasını
edinmek için, lütfen aşağıdaki
telefon numarasını arayınız
veya adrese başvurunuz.

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى
الاتصال برقم الهاتف أو مراسلة العنوان
أدناه

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ
ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ
ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં
જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર
ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.