

Living Wage Special Initiative Evaluation

Final Report

September 2014

About Trust for London

Trust for London is the largest independent charitable foundation funding work which tackles poverty and inequality in the capital.

Annually, it provides about £7 million in grants and at any one point is supporting some 400 voluntary and community organisations.

www.trustforlondon.org.uk

6–8 Middle Street, London, EC1A 7PH

t +44 (0)20 7606 6145

e info@trustforlondon.org.uk

About Cambridge Policy Consultants (CPC)

Cambridge Policy Consultants is a consultancy specialising in social and economic policy. It covers a range of policy fields and offers expertise in supporting service improvement, organisational change, evaluation and research.

www.campolco.co.uk

Newton Hall, Town Street, Cambridge,
CB22 7ZE

t +44 (0)1223 871551

e info@campolco.co.uk

About Citizens UK

Citizens UK is a broad alliance of local Community Organising groups in London, Birmingham, Cardiff, Milton Keynes and Nottingham. It brings together a range of agencies improving the capacity of its members to build power in order to hold politicians and other decision makers to account.

www.citizensuk.org

112 Cavell Street, London, E1 2JA

t +44 (0)20 7043 9881

e tom.henderson@citizensuk.org

Contents

ACKNOWLEDGEMENTS	4
EXECUTIVE SUMMARY	5
1. INTRODUCTION	10
2. RESULTS AND ACHIEVEMENTS	13
2.1 Establishing the Living Wage Foundation	13
2.2 Engaging with employers	14
2.3 Wider impacts – building public support for and awareness of the living wage	27
3. CONCLUSIONS AND LESSONS LEARNT	36
3.1 Conclusions	36
3.2 Lessons learnt	38
ANNEX A Tracking progress in retail, hospitality and local authorities	45
ANNEX B Media coverage analysis	47
ANNEX C Targeting politicians – case studies	49

Acknowledgements

We would like to thank all those who contributed to this research over the period of the evaluation, including the employers who gave up their time to make a vital contribution to our understanding. In particular, we want to express our gratitude to the staff and trustees of Trust for London, staff and trustees of Citizens UK and the Living Wage Foundation for their time and important contributions to our understanding of the programme. Feedback and comments from Austin Taylor-Laybourn and Mubin Haq at Trust for London have been especially helpful throughout the research. Members of the Living Wage Advisory Group were supportive of this research and we appreciated their help and input. Finally, we were reliant on the input and support from Jane Wills and colleagues at Queen Mary University of London who shared their data and research on the Living Wage Special Initiative and provided an important input for our evaluation.

Executive summary

1. The £1 million Living Wage Special Initiative, launched by Trust for London in 2009, aimed to deliver “a *step-change*” in the number of employers signing up to the living wage and a consequent increase in the numbers of employees benefiting from higher incomes. The Living Wage Special Initiative has used a combination of research, awareness raising and targeted campaigns, capacity building with other organisations in the voluntary and community sector to support the campaign and an accreditation process to provide formal recognition to employers adopting the living wage.
2. This report brings together the final round of research on the Living Wage Special Initiative undertaken over the summer of 2013 and shortly after the Living Wage Week in November 2013 with our evaluation findings over the previous four years of the programme.
3. The overall findings of the four-year evaluation are as follows:
 - ***Arguably the single biggest achievement of the four-year Special Initiative is the establishment of the Living Wage Foundation:*** This is vital infrastructure for the campaign: providing a platform that is able to support the ‘mainstreaming’ of the living wage and putting in place a process to formally accredit living wage employers. The Foundation’s business model (employers pay for accreditation) has secured the organisation a steady and growing source of revenue, representing more than half of its income in 2013–14. It has also secured additional funding from the Joseph Rowntree Foundation and Trust for London, implying a promising picture in terms of financial sustainability. In other words, ***Trust for London’s investment has paid off in that it has secured a clear legacy.***
 - As the mainstream profile of the living wage campaign has grown, so has the engagement with employers. The Living Wage Foundation has delivered on its promise of delivering ***almost 450 accredited living wage employers. About half of the accredited employers are based in London***, which confirms that London has benefited. To some degree this reflects the predominance of headquarters being based in London and reflect the need for the living wage because of the capital’s higher cost of living.
 - The rate of accreditation has increased substantially (92 employers in year 1, compared to more than 300 employers in year 2) and is significantly higher than the average of ten employers per year committing to the living wage during the first ten years of the campaign – the Special Initiative has indeed ***achieved the ‘step-change’ it was hoping to bring about, both in terms of numbers of employers reached and in terms of the depth of the commitment.***
 - ***All the accredited employers interviewed for this final stage of the evaluation had contacted the Living Wage Foundation*** having

seen campaign or media reports on the living wage. There is a clear demand for living wage status driven by the wider profile of the living wage and the Foundation is currently able to capitalise on that demand. This highlights the importance of the campaign raising the mainstream profile of the living wage that subsequently leads to employers seeking accreditation.

- A second major achievement is that, ***over the course of the four years of the Special Initiative, the living wage has gone ‘mainstream’*** – which has helped bring the living wage onto the radar of employers in the first place. The living wage is being discussed in national media outlets, party conferences, the UK Parliament and in the context of the recently established Living Wage Commission. Importantly, ***the Mayor of London and the Labour Party leader have repeatedly come out in favour of living wage accreditation***, resulting in additional media coverage for the living wage.
- The overall consensus is that ***the Special Initiative can claim credit for this mainstreaming process*** – directly and indirectly, through its impact on other key players. In this respect, Trust for London's recent win at the Charity Awards in grant-making and funding (for the Special Initiative) was well-deserved. Crucially, the evidence suggests that ***London Citizens contributed to securing the buy-in of the Mayor of London and the Labour leader***.

“Work in London by the Foundation has raised the national profile of the living wage. The media had a large part in this. It has become a topic for conversation among businesses and politicians” (external stakeholder)

- On balance, ***it seems unlikely that the Special Initiative has already achieved its ambition of increasing the wages of 37,000 low-paid Londoners to the tune of £3,000 per individual***. A broad estimate (based on Queen Mary University of London survey findings for the country as a whole) is that 10,000 Londoners benefited to the tune of £25 million overall.¹ This represents an impressive return on the £1 million investment by Trust for London. Moreover, the end result of 37,000 Londoners may yet be within reach given the infrastructure now in place (the Living Wage Foundation), ongoing interest and negotiations with London employers around accreditation and ***recent commitments by a number of national Government Departments (Department of Work and Pensions, and HM Treasury)*** – “if you only look at impacts now, you miss large outputs in the future”. (external stakeholder)
- ***Living Wage Week 2013 resulted in significant exposure for the living wage, including coverage in the national broadcast and print media, and social media*** including an additional 700 followers on Twitter and a doubling of Facebook ‘likes’. Formal confirmation that the government “supports” the living wage and “encourages” businesses to pay it (conditional however on the living wage being affordable) in response to an oral question in the House of Lords indicates the living wage continues to be firmly on the national agenda.

[1] See page 15 for the detailed assumptions on which this estimate is based.

Early indications are that the primary impact of the Living Wage Week is its ability to contribute to raising the mainstream profile of the living wage, rather than a direct impact on engaging employers. Discussions with a small group of employers immediately after the Living Wage Week suggest that any additional accreditation will arise over a longer time period.

- **Actual benefits in terms of staff morale and relationships with workers were the main benefit** reported by accredited employers interviewed during the final stage of the evaluation. In a number of cases, benefits in terms of **easier recruitment of staff** were also reported. A small number of employers had secured additional business from clients with an interest in ethical procurement as a direct result of being a living wage employer.
- Although not necessarily a business benefit as such, a recurrent theme across employer interviews was **a sense of pride and satisfaction from knowing they were doing the 'right' thing.** The online survey of accredited employers suggests that this positive trend has continued, with two-thirds of respondents reporting that they advertise the living wage logo on their website. Less than one in ten had not advertised their living wage accreditation in any way. **Employers increasingly believe in the reputational benefits offered through living wage status.**

"[One of the reasons for getting accredited is that] general public awareness on the living wage was increasing." (accredited employer)

- **Affordability remains the main barrier.** This means that London Citizens' traditional theory of change still has a role to play. The theory of change implies trying to subtly increase the reputational cost of not introducing a living wage to the point where this cost offsets the cost of actually introducing the living wage. There **remains a place for publicly 'naming and shaming' non-participating employers** – something other employer organisations interested in encouraging a culture of corporate social responsibility may not be able to do. Importantly, however, this needs to be done **in such a way that the living wage 'brand' and its reputational benefits are not undermined.**
- Across the four years of the Special Initiative, **progress in the key target sectors (local authorities, higher education, retail and hospitality) has been a challenge.** Progress has been made with local authorities and higher education institutions, with a number of accreditations and organisations moving towards accreditation, promising more accreditations in the near future. Even if it is the accreditation process that enabled the step-change in terms of overall numbers, an element of campaigning (and community organising) is likely to remain necessary to achieve progress in these sectors. London Citizens' vision for the future is a two-track approach, pursuing accreditation through the Foundation alongside community organising in the sectors where this is likely to add most value (e.g. social care).

- The vast majority of accredited employers sit outside the priority sectors of the Special Initiative, but encouragingly, **30 of the 448 accredited employers come from the retail, hospitality and care sectors** where low wages are part of the business model – demonstrating that inroads in more ‘difficult’ sectors are possible. Fourteen of these are London-based. By and large, these employers tend to be small or ‘niche’ employers (with an explicit ethical focus).
4. Key recommendations from the research programme are:
- What works in encouraging employers to sign up?
 - o **A senior, internal champion** who feels sufficiently passionate about the living wage to drive change through the organisation is crucial.
 - o **The campaign appears at its most effective when it raises awareness about in-work poverty** and the impact this can have on those living on low wages – almost two-thirds of employers said that the “buzz” around the Living Wage was a reason to commit.
 - o In many instances, these combine and the introduction of the living wage ‘fits’ where there is **a wider, pre-existing commitment to addressing Corporate Social Responsibility or inequalities**. Living Wage employers stress that a **credible accreditation process enables them to build their CSR reputational and public relations benefits**.
 - o Stakeholders have also identified that **other companies in their sector paying the living wage is a driver for accreditation** – when one key employer accredits, others in the same sector tend to follow.
 - o **The Living Wage Foundation and accreditation process appear to act as important enablers of commitment adding credibility to the campaign and supporting employer strategies** to spread the commitment to sub-contractors, etc.
 - o While there has been a strong commitment to a single Living Wage standard – the hourly rate – **being flexible over the timeframe for the introduction of the Living Wage has engaged a wider range of employers**. There may be further scope to operate flexibly, particularly in retail sectors, that could be considered – staff discounts and other benefits such as bonus payments and pension contributions, etc.
 - There is very early evidence that ethically conscious customers are starting to pay attention to living wage accreditation. Building the evidence base around consumer interest in living wage services may need to become an important role for the Foundation – in addition to **helping accredited employers develop marketing materials and strategies aimed at further building and capturing this consumer interest**.

- **Revisiting the ‘business case’ in the broadest possible sense of the word** – in particular if there are significant financial implications, the campaign must be able to offer a positive and convincing answer to an employer’s question as to ‘what is in it for them’. There are two linked areas that should be explored in future:
 - o There is some evidence of **positive impact on employees’ pride in working for a living wage employer**. Further developing this evidence base (for example by running a simple online survey among the staff of a limited number of accredited living wage employers) may provide the Foundation with crucial additional evidence in this respect.
 - o It is now also **vital to get robust evidence on how many employees are benefiting from the implementation of the living wage**. The recent Queen Mary research has provided some indication of the number of employees and whether they are employed directly by businesses or through contracted-out services. More needs to be done to embed this information into the accreditation process to better understand the scope and scale of the living wage impact but also to feedback to other employers as part of the campaign.
 - Is there a continued role for community organising in the living wage campaign in future?
 - o **The theory of change supporting the Special Initiative and Citizens UK’s living wage work has shifted over the course of the four-year initiative from a campaigning model focused on reputational risk to one emphasising reputational benefits**. This has been successful because the campaign was able to secure a mainstream profile. Maintaining and developing that profile will remain an important part of the future campaign.
 - o Community organising makes a difference to the effectiveness of the campaign by **supporting networking between individuals and retaining their involvement in the campaign**. It also **enables London Citizens to mobilise large groups of people to attend assemblies or undertake actions** and provides a **direct access route to individuals directly affected by low pay and their personal testimonials** – both of which are referenced by employers as important strengths of the process.
5. London Citizens’ vision for the future is a twin-track approach: the Living Wage Foundation continues to pursue accreditation among a wider range of employers; London Citizens continue to use community organising methods to aim for progress in more difficult sectors, including retail and social care, and to maintain widespread public and political interest for the living wage. There is ample evidence in this evaluation to fully support such an approach and help the living wage campaign further improve its profile in the policy agenda and thereby increase the number of employer accreditations in future.

1. Introduction

- 1.1. The campaign to introduce a living wage in London has a long history. The introduction of the National Minimum Wage (NMW) in 1999 was welcomed by many, but it does not take into consideration regional variations in pay levels and the cost of living. As such, the minimum wage does not support all workers out of poverty, particularly in London. To counter this, in 2001 London Citizens, in association with key trade unions and activists, launched the UK's first living wage campaign targeting some of the largest employers within the finance and health sectors, particularly targeting cleaners working in these organisations.
- 1.2. Between January and May 2008, Officers at Trust for London (then the City Parochial Foundation) initiated a number of discussions with key commentators across the voluntary, statutory and corporate sectors. Contacts were drawn from a number of key agencies including London Citizens, the TUC, UNISON, Child Poverty Action Group, Joseph Rowntree Foundation, Queen Mary University of London, LSE, other academics, the GLA, KPMG and the London Chamber of Commerce. The ultimately led to the development of the Living Wage Special Initiative.
- 1.3. The £1 million Living Wage Special Initiative, launched by Trust for London in 2009, aimed to deliver “a step-change” in the number of employers signing up to the living wage and the numbers of employees benefiting: it was hoped that an additional 37,000 workers might benefit from the Initiative with an additional £111 million in benefits accruing to workers. Over this period, the Living Wage Special Initiative has been centred on four key themes:²
 - **Research:** Specifically, how the living wage is being implemented and the impact it has had on both employers and employees. This seems particularly the case in identifying the benefits to employers as part of a business case for the living wage. Key research funded under the programme include:
 - o Wills and Linneker (2012) *Costs and Benefits of a Living Wage* – Queen Mary, University of London
 - o Pennycook (2012) *What price a Living Wage?* – IPPR and Resolution Foundation
 - o Lawton and Pennycook (2013) *Beyond the Bottom Line: The challenges and opportunities of a Living Wage* – IPPR and Resolution Foundation
 - **Awareness raising and targeted campaigns:** Building on the previous work of London Citizens with unions, community activists and employees and specific sectors, e.g cleaning contractors in the Canary Wharf financial sector. There is a need to expand the campaigns into other sectors, particularly the private sector and among small and medium enterprises. A second element of the campaign would raise awareness among the private sector more generally by engaging

[2] Living Wage Scoping Paper, Trust for London, June 2008.

through seminars and events with London Chamber of Commerce, Business in the Community and/or CBI that would promote the social benefits of adopting a living wage (and linking this to Corporate Social Responsibility) as well as the economic benefits.

- **Capacity building:** There is also a need for capacity building support for other organisations in the voluntary and community sector in relation to campaigning on the living wage. What is apparent is that even among organisations working in the poverty and employment fields, there is often a lack of understanding as to what the living wage is, and what has been achieved.
- **Accreditation process:** Although Living Wage Employers are recognised through publicity events and through the award of a Living Wage Employer plaque, there needs to be a more formalised process of accreditation for employers. The argument is that, having adopted the living wage, there is no formal mechanism to ensure that employers maintain their commitment and their other principles in relation to working conditions (holiday and sickness leave for example). London Citizens may develop this as an independent concern by generating income via fees to employers for a living wage Quality Mark. The Quality Mark would be a symbol of the employers' commitment to social responsibility and a public recognition of the value they place on their employees. However, for the scheme to generate sufficient momentum and to become sustainable there is a clear need for a potent and attractive brand identity to ensure that there is a ground swell of employers interested in signing up.

- 1.4. A key part of the Special Initiative has been the establishment of the London Living Wage Advisory Group, which meets three times per annum and includes representatives from the TUC, London Councils, Greater London Authority, Business in the Community, KPMG, London First and Joseph Rowntree Foundation. Members also include individuals from Trust for London, London Citizens and representatives from the external research and evaluation agencies commissioned as part of the initiative.
- 1.5. A programme of evaluation has run alongside the Special Initiative since its 2009 launch. The overall aim of the evaluation is to assess the (i) impacts and (ii) effectiveness of the London Living Wage Special Initiative. This includes an evaluation of the London Citizens' living wage campaign, as well as an evaluation of the other components of the special initiative: (i) the living wage research commissioned by the City Parochial Foundation and (ii) the interaction and advocacy aimed at wider stakeholders, including through the Living Wage Advisory Group.
- 1.6. This report presents the findings across the whole four years of the initiative, where relevant revisiting and summarising the findings from the earlier reports. A baseline evaluation report was delivered in 2010 with interim evaluation reports delivered in 2011 and 2012.
- 1.7. It includes 2013 evaluation fieldwork which involved a start-up meeting with London Citizens and Trust for London; telephone interviews with Trust for London (2 interviews), the Living Wage Foundation and Citizens UK (2),

accredited (14) and non-accredited (6) living wage employers, including funding bodies, private, public and third sector employers, advisory group members (5) and other stakeholders (5), as well as analysis of Living Wage Foundation monitoring information and an online survey of accredited Living Wage Foundation employers (response rate: 53 employers or 19%).

- 1.8. The evaluation fieldwork over the four-year evaluation period included a number of meetings and telephone follow-up discussions with London Citizens and Trust for London; participation in the London Citizens Electoral Assemblies (2) and retreats (2); interviews with accredited and non-accredited employers, including funding bodies, private, public and third sector employers (85 interviews); advisory group members (27 interviews); journalists (6 interviews) and other stakeholders, including national partners, researchers and activists (32 interviews).
- 1.9. The next section discusses the results and achievements of the Special Initiative; Section 3 summarises the lessons learnt from the evaluation programme as a whole. The final section presents our conclusions.

2. Results and achievements

2.1. Establishing the Living Wage Foundation

2.1.1. **Arguably the single biggest achievement of the four-year Special Initiative is the establishment of the Living Wage Foundation (toward the end of 2012):**

there now is a clear ‘infrastructure’ and process in place to formally accredit living wage employers. The Foundation is now operating with four members of staff and has benefited from a 12-month secondment from a KPMG member of staff. The Foundation’s business model (employers pay for accreditation) has secured the organisation a steady and growing source of income. Currently, accreditation generates £80,000 per annum with strong growth compared to £60,000 per annum contributions from principal partners.³

In addition, the Foundation has secured a three-year funding package from the Joseph Rowntree Foundation; and a three-year grant for the retail campaign and additional financial support through Trust for London’s Mission Related Investment (MRI) programme.

This means that the Foundation has achieved a degree of financial sustainability.

2.1.2. Citizens UK and the Foundation, as well as other stakeholders involved in early discussions around the Living Wage Foundation, have explicitly confirmed that it is highly unlikely that the Foundation would have ever been established had it not been for Trust for London’s Special Initiative – ***the Living Wage Foundation can be directly attributed and claimed as a legacy for the Special Initiative.***

“I am not sure whether there would have been any funding without Trust for London – maybe JRF, but probably not: it was a brave decision at the time, to invest on the back of the experience of a group of poverty individuals in one part of London who had been campaigning for years” (advisory group member)

2.1.3. The fact that the Foundation exists implies a massive potential for future impact. The four-year Special Initiative may have run its course, but ***benefits from the Special Initiative are likely to continue to accrue for some time.*** It is important to remember this while interpreting the findings from this evaluation, which can only report on actual impacts to date.

“If you only look at impacts now, you miss large outputs in the future” (advisory group member)

[3] Living Wage Special Initiative: London Citizens Final Review, October 2013, p4.

2.2. Engaging with employers

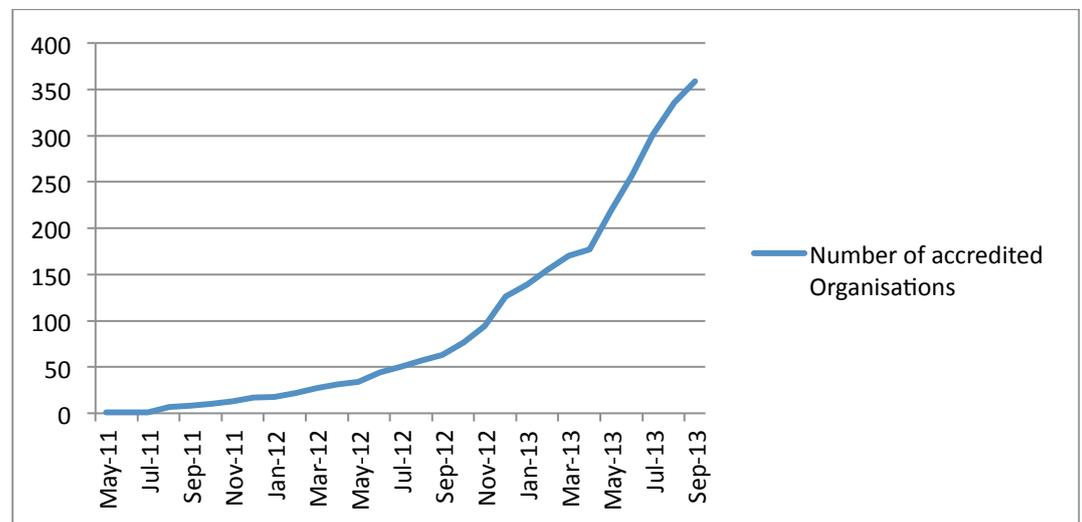
Living Wage success – employers reached

2.2.1. As the mainstream profile of the living wage campaign has grown, so has the engagement with employers. The following results and achievements can be noted in terms of the number and type of employers reached:

- ***By mid-November 2013, 448 employers had been formally accredited as*** living wage employers by the Living Wage Foundation.⁴ In comparison, in its first year of operation, the Foundation accredited 92 employers (data for end of November 2012) – the rate at which the Foundation is accrediting employers has increased. Figure 2.1 below demonstrates the increasing rate of accreditations over time.

[4] By January 2014 535 employers had accredited, but the following analysis uses detailed MIS on the 448.

Figure 2.1. Living Wage Accreditations by month (May 2011 to Sept 2013)



Source: Nele Jensen and Jane Wills, The prevalence and impact of the Living Wage in the UK, October 2013, p10.

- The 2010 baseline report included a list of about 100 employers who were (considered at the time to be) at least notionally committed to the living wage. This implied a broad average of about ten employers engaged per year in the London Citizens' living wage campaign (which was launched in 2000). Although a direct comparison is impossible (there was no formal accreditation process prior to 2011), it is clear that ***the rate at which the Foundation is accrediting employers – more than 300 employers in the last 12 months – far exceeds the ten employers or so per year reached during the first ten years of the living wage campaign.***
- In other words, ***the 'step-change' the Special Initiative was hoping to bring about has been achieved,*** at least in terms of the number of employers reached (the number of employees reached will be discussed later). This step-change arguably was already secured during the Foundation's first year of operations (2011–12) with further consolidation and acceleration achieved during the Foundation's second year.

- Only 25 of the 448 accredited employers already featured on the living wage employers list are included in the 2010 baseline report – the vast majority of living wage employers (well over 90%) are thus ‘new’ recruits to the living wage cause, which is to be applauded.
- However, there is another way of looking at this: of the 108 employers featured on the baseline list, only 25 (less than 25%) have been accredited so far; securing accreditation among employers with a pre-existing commitment to the living wage has only been partially successful. There are a number of (possible) explanations for this. Some employers may still be negotiating and considering accreditation. Others may not (yet) be convinced about the value of accreditation or their initial commitment to the living wage may have lapsed (or may not have been particularly solid to begin with).
- Of the 448 accredited employers, about half are based in London, which confirms that London – which is understandably the main geographical focus of Trust for London – has benefited from the initiative, again as far as the number of employers signing up is concerned (the number of employees who benefited will be discussed below). To some degree this reflects the predominance of headquarters being based in London and reflect the need for the living wage because of the capital’s higher cost of living. The vast majority of accredited living wage employers are based in England with less than 10% of accredited employers in the other nations of the UK (see Table 2.1).

Table 2.1. Accredited living wage employers – by region

Geographical area	Number	%
London	214	48
England (excluding London)	195	44
<i>North West</i>	41	9
<i>Yorkshire and the Humber</i>	37	8
<i>South East England</i>	30	7
<i>West Midlands</i>	25	6
<i>North East</i>	17	4
<i>East of England</i>	16	4
<i>South West England</i>	15	3
<i>East Midlands</i>	14	3
Scotland	18	4
Wales	16	4
Northern Ireland	1	n/a
	444*	100

* No location data was available for four employers.

Source: Living Wage Foundation monitoring information and CPC calculations.

Table 2.2. Accredited living wage employers – by size of in-house workforce

Size	Number	%
Micro (<10 employees)	93	23
Small (11-50)	127	31
Medium (51-250)	89	22
Large (>250)	103	25
	412	100
No data on size	36	

Note: Percentages do not add to 100 because of rounding.

Source: Living Wage Foundation monitoring information and CPC calculations.

- Over half of all accredited employers are micro- (23%) or small-sized (31%) organisations but more than a fifth have more than 50 employees and a quarter have more than 250 employees. Within London, there are slightly more large accredited employers: a third of all accredited employers in London have more than 250 employees (see Table 2.2).
- Most of the accredited employers are private or third sector organisations (about 40% each), with less than one-fifth being public sector employers. The vast majority of accredited employers sit outside the priority sectors of the Special Initiative, but **encouragingly, 30 of the accredited employers come from the retail, hospitality and care sectors where low wages are an intrinsic part of the business model** – demonstrating that inroads in these ‘more difficult’ sectors are possible. Fourteen of these 30 accredited employers in retail, hospitality and care are based in London. The majority (73%) of accredited employers in the retail, hospitality and care sectors are micro- or small-sized organisations.

Table 2.3. Accredited living wage employers – by sector

Geographical area	Number	%
Public sector	86	19
<i>Local authority</i>	19	4
<i>Higher education</i>	20	4
<i>Care</i>	1	n/a
<i>Other public sector</i>	46	10
Private sector	185	41
<i>Retail</i>	10	2
<i>Care</i>	7	2
<i>Hospitality</i>	7	2
<i>Other private sector</i>	161	36
Third sector	177	40
<i>Care</i>	5	1
<i>Other third sector</i>	172	38
	448	100

Source: Living Wage Foundation monitoring information and CPC calculations.

Reasons for Signing Up

2.2.2. The 2013 online survey of accredited living wage employers confirms the findings from earlier evaluation reports.

Table 2.4. Reasons for signing up to accreditation (%)

% (n=53)	Very important	Very/quite important
It felt like the right thing to do	88	100
It fits with our CSR strategy/vision/policy objectives	66	92
Accreditation adds credibility to being a Living Wage employer	62	88
A senior individual in our organisation was strongly in favour	50	79
We thought it could improve staff morale/retention	46	85
Accreditation offered us a clear process of how to go about introducing the living wage	33	71
We thought it might appeal to our customers	25	77
Introducing the living wage was not expensive for us	16	57
The annual Living Wage Week offers PR opportunities	14	43
There is currently a 'buzz' around the living wage	12	60
The London Mayor encourages accreditation	8	21
London Citizens were vocal in encouraging us to do so	6	14
Our peers/competitors were doing it	2	24
We might have got negative PR for not signing up	2	20

Source: CPC online survey of accredited living wage employers (summer 2013), multiple responses possible.

- The main reasons for signing up for the living wage are linked to the **moral argument** ('it felt like the right thing to do' very or quite important for 100%) and the **fit with a wider, pre-existing commitment to addressing CSR or inequalities** ('it fits with our CSR strategy/vision/policy objectives' for 92%).
- The **accreditation process and the Foundation are important facilitators**, but interestingly it is the credibility of accreditation (very important for 62%) rather than the fact that there is a clear process (very important for 33%) that seems the main factor.
- It is interesting to note that **all of the (accredited) employers interviewed for this stage of the evaluation had taken the initiative themselves to get in touch with the Living Wage Foundation** and discuss accreditation as an option. Most commented about having picked up something about the living wage in the media or via social media, having gone online to investigate and coming across the Living Wage Foundation website. There is a clear demand for living wage status (as a result of 15 years of campaigning) and the Foundation is currently able to capitalise on that demand. It also highlights the importance of the mainstream campaign in laying the foundations for the accreditation process.

- When looking at ‘business case’ arguments, only the impact on staff morale/retention makes it to the top five of very important reasons to sign up for accreditation; a belief that living wage accreditation might increase productivity or might appeal to customers is less likely to be a very important reason for signing up. This is in line with findings from last year’s evaluation report, suggesting that **employers are not swayed by the (bottom line) business case, but see an alternative ‘soft’ business case in staff morale benefits**. It also echoes findings from accredited employers on the actual business benefits following accreditation (see below).
- Neither encouragement by the London Mayor nor London Citizens features highly as a reason for signing up. Just looking at the responses of London-based employers, the pictures changes slightly with **only 10% and 14% of London-based employers suggesting that the Mayor (10%) or London Citizens (14%) were very important in their decision**. (Results have to be treated with caution, as sample sizes are lower when only including London-based employers.) When comparing ‘new’ living wage converts to employers with a pre-existing commitment to the living wage prior to accreditation, it appears that the Mayor and London Citizens were more important in the early stages of the living wage campaign: none of the ‘new’ living wage converts referred to the Mayor as a very important reason for signing up and only 3% refer to London Citizens (although the argument of lower sample sizes again asks for caution in interpreting results). **It is interesting to note that the London Mayor features extensively in stakeholder interviews as a important factor in helping build the public profile of the living wage – in terms of actually encouraging sign-up of individual employer, the Mayor’s role is more limited**.
- The shift from reputational risk to reputational benefit, reported in the 2012 report, is confirmed in the online survey: **the risk of negative PR for not signing up for accreditation was very important only for 2% of employers and none of the ‘new’ living wage converts** identified negative PR as a reason.
- It is interesting to note, however, that several stakeholders commented about a continued **need to maintain some reputational risk pressure on employers**. Other employer organisations are able to cajole and encourage employers behind the scenes but are unable to adopt a policy of publicly ‘naming and shaming’. London Citizens, instead, is able to do so. **The message is not so much that London Citizens should not ‘name and shame’ but that it should do so in such a way that it does not undermine its living wage accreditation brand**. The current set-up with fairly clear dividing lines between the living wage ‘campaign’ arm and the Foundation seems to be worth continuing.
- A quarter of employers responding to the online survey also commented that they were very likely to have introduced the living wage without the accreditation process – although they may still have been influenced by the other components of the Special Initiative (including the increased media attention for the living wage) to do so.

Table 2.5. Likelihood of introducing the living wage without accreditation

% (n=40, all employers not already paying the living wage)	
Very likely	25
Quite likely	48
Not very likely	20
Not likely at all	8

Source: CPC online survey of accredited Living Wage employers (summer 2013).

2.2.3. It is interesting to reflect on overall trends across the four years of the Special Initiative:

- Annex A tracks progress among the key sectors of local authorities, retail, hospitality and higher education (in London) since the start of the Special Initiative. A summary is presented in Table 2.6. Interpreting the table requires some care: no like-for-like comparison is possible given that no formal accreditation mechanism existed prior to the Special Initiative: the October 2013 accreditation is obviously much more stringent than the commitment in principle first reported before 2009. That being said, **it is clear that the Foundation has made some inroads in the key sectors of the Special Initiative (local authorities, retail, hospitality, higher education)**, even if it has not been possible (to date) to convert all pre-existing commitments to the living wage into formally accredited status at this point in time. A number of Higher Education institutions are currently in negotiations as are other organisations such as Trade Unions (the TUC itself was recently accredited).

Table 2.6. Progress in London in key sectors (commitment in principle <2009 vs formal accreditation 2013)

Sector	Oct 2013 accredited employers			
	<2009 committed employers	Already committed <2009	New recruits	Total accredited Nov 2013
Local authorities	7	5	4	9
Retail	1	0	4	4
Hospitality	2	0	6	6
Higher education	8	4	2	6
	18	9	16	25

Source: Living Wage Foundation monitoring information and CPC interim reports 2010–2012 and Living Wage Foundation monitoring information 2012–2013.

- Although the total number of living wage employers has increased significantly overall over the course of the four years, **in the key target sectors of the Special Initiative in London, progress has been achieved more in terms of the quality of the commitment (formal accreditation as opposed to a non-binding commitment to the living wage) than in terms of the number of employers reached**. For example, seven London boroughs had committed to the living wage prior to 2009, and ten London boroughs are currently accredited living wage employers; 12 higher education institutions now pay a living

wage.⁵ **Additional employers are in the process of negotiating accreditation** and more may be confirmed accredited employers in the (near) future.

- Recalling achievements across the four years of the Special Initiative, 11 new employer commitments were secured in the first year, followed by a handful of new employers recruited to the living wage cause in the second year (in part caused by a later than expected recruitment of staff at the end of year one, preparations for the launch of the Living Wage Foundation and consequent delays in establishing the full accreditation process). **The second year indeed saw a slowing down of progress (in terms of numbers of employers reached)**. It was the third year that saw the step-change both in terms of number of employers reached (just under 100 formally accredited employers), followed by even faster progress in the final year (more than 300 additional employers accredited).

2.2.4. Although the focus of the evaluation (and many living wage stakeholders) has shifted towards looking at the number of living wage accreditations, it is important to highlight a number of important successes in the final year of the Special Initiative in terms of commitments to implement a living wage just short of a commitment to become accredited: **the Department of Work and Pensions, HM Treasury and the Supreme Court have committed to becoming living wage employers. Discussions with the Department of Business, Innovation and Skills are ongoing.**

Employer satisfaction with the accreditation process

2.2.5. In terms of employers' customer satisfaction with the work of the Foundation, the online survey of employers highlighted the following issues:

- Employers are very positive about the work of the Foundation. All but two of the aspects of the Foundation's work (see Table 2.10) were considered to be 'very good' or 'good' by more than 8 in 10 of accredited employers. Accredited employers interviewed, as well as employers who ultimately chose not to get accredited, both reported timely and efficient responses by the Foundation. A limited number of comments suggest that there still is some scope for improvement (although these comments appear to be the exception).

"We had to chase. We have now paid the invoice for membership, but its [sic] been 2-3 weeks and we have heard nothing more....." (accredited employer, online survey)

"Response to our application to become a Living Wage Employer has been painfully slow" (accredited employer, online survey)

"We found the process easy and staff helpful. It was easier than I had expected, so you might want to make it clearer that it is not too onerous!" (accredited employer, online survey)

- **The areas offering the biggest scope for improvement are opportunities offered by the Foundation to gain positive PR as a living wage employer and the opportunities to network with**

[5] Living Wage Campaign Report, London Citizens, October 2013. Not all these institutions are as yet accredited.

other living wage employers. In other words, the actual benefits on offer to employers (PR and networking opportunities) may need to be further developed and/or clarified. This is linked to responses by some employers as to why they are not (or were initially not) keen on accreditation: they do not see the benefits of accreditation. As the living wage ‘brand’ continues to grow, (reputational) benefits of accreditation will become more apparent. In the meantime, it is clear the (accredited) employers are asking for more support and practical tools in helping them maximise the PR value of their accreditation. This includes, for example, more sector-specific media exposure: rather than (only) listing all accredited employers on the website, also listing sector-specific lists, such as living wage accredited pubs or legal organisations.

- It is important to note that **London-based employers are generally more positive in their responses to customer satisfaction questions than employers based outside London.** Similarly, ‘new’ living wage converts are generally more positive than employers who had already previously committed (in principle) to the living wage. (Again, lower sample sizes require an element of caution in the interpretation of these findings.)

Table 2.10. Living Wage Foundation – customer satisfaction (%)

% (n=47)	Very good	Very good/ Good
Professionalism of Foundation staff	48	98
Helpfulness of responses	45	96
Ease of access to Foundation staff	43	96
Overall assessment of work of the Foundation	38	94
Time taken by staff to respond to questions	36	94
Publication 'Living Wage: A Guide for Employers'	33	98
Frequency of Foundation email updates	30	84
Opportunities offered to gain positive PR as living wage employer	29	71
Content of Foundation email updates	26	93
Content of Living Wage Foundation website	24	84
Living Wage Week (2012)	24	82
Opportunities offered to network with other living wage employers	18	58

Source: CPC online survey of accredited living wage employers (summer 2013).

Barriers to accreditation

- 2.2.6. **Encouragingly, few employers report any ‘very important’ challenges to accreditation. Affordability** (‘the increased wage cost’ and ‘future rises in the living wage’) **remains the main challenge** reported by employers, in line with findings from earlier evaluation reports, but even affordability is only ‘very important’ for about a quarter of employers. That being said, about half of employers quote affordability concerns as a ‘very’ or ‘quite’ important challenge and it is likely that affordability is a greater concern for those employers who have not signed up. This is in line with findings from employers’ reasons for signing up to living wage accreditation: for

more than half of employers, the fact that introducing the living wage was not expensive was an important (very or quite important) reason for signing up. ***This reflects the challenges the Special Initiative continues to encounter in reaching out to the retail, hospitality and care sectors, where low wages are a core part of the business model.*** The financial barriers are also mentioned time and time again in stakeholder interviews.

“I have had discussions with employer ... there are some clear barriers, which are mainly financial: there is less money about and London has a large and flexible labour market” (advisory group member)

“We had to pay the uplift, which was quite a considerable amount of money... It took a long time to get this through as it was in the middle of the financial year and we had not budgeted for this. The extra funds came from underspend elsewhere... The fact that we got accredited was down to leadership of one individual who pushed it through” (accredited employer)

2.2.7. Somewhat worryingly, one employer (signed up for accreditation in 2012) went as far as to suggest that they ***“probably would not have done it”*** had they known the costs involved in advance. Organisations with a higher level of low paid staff (and thus higher cost of implementation) were particularly worried about signing up for something they may not be able to keep a commitment to in the future.

2.2.8. ***Encouragingly, concerns raised in the previous evaluation report, around the living wage being increasingly seen as a political statement, are not born out in the results of the online survey.***

Table 2.7. Possible challenges to accreditation

% (n=52)	Very important	Very/Quite important
The increased wage cost	27	48
Future rises in the living wage	19	50
Difficulty of being certain about what our subcontractors are paying	13	52
Staff worrying about losing their benefits/not being better off	8	25
The time needed to go through the accreditation process	6	25
Challenge of joint procurement (subcontracting jointly with non-living wage employers)	6	24
Whether the living wage might be perceived as a political statement	6	19
Concerns about legal challenges	4	13
The accreditation fee	2	27
Doubts about the macroeconomic implications of the living wage	2	12

Source: CPC online survey of accredited living wage employers (summer 2013).

- 2.2.9. The issue of not seeing (sufficient) benefit to accreditation also features in the responses of accredited employers to the online survey (see Table 2.7). The message to the Foundation is that it may need to invest even more clearly in developing and selling the benefits accreditation brings. A further employer commented that they would have gone for accreditation had the Living Wage Foundation been a stand-alone organisation, not linked to **a campaigning organisation** (Citizens UK), although this was purely because of internal rules preventing this (as opposed to any principled objections). Another three stakeholders interviewed commented that they were not accredited – their reasons for not having gone for accreditation to date were linked to resistance of other occupants in their building to paying the (communal) cleaners a living wage. In one case, the cleaning company themselves were reluctant to introduce a living wage for one client only.
- 2.2.10. Affordability did not feature prominently in these discussions. However, this was linked to the fact that introducing the living wage would not have been particularly expensive for the employers interviewed and as such does not undermine the conclusion of affordability being a main barrier.

Living wage success – employees reached

- 2.2.11. Arguably more important than the number of employers accredited is the number of employees actually benefiting from increased wages and, linked to this, how many individuals have been lifted out of poverty in London – given that this was the broader context in which Trust for London awarded the funding to Citizens UK:

“The special initiative ... developed from [Trust for London’s] commitment to challenge the unacceptable and growing level of in-work poverty and poor working conditions that many Londoners experience” (Trust for London living wage website).

“Surely it is more important to see how many people have benefited; many employers probably already paid the living wage” (advisory group member)

- **The ambition of the initiative was to secure the living wage for an additional 37,000 low-paid workers in London**, securing additional financial benefits of at least £111 million in wages for employees or **on average an additional £3,000 per employee per year in (gross) wages**. Estimating the number of workers benefiting from the adoption of the living wage is not straightforward. The accreditation process does not currently collate information on the number of employees covered by the living wage in the firm.⁶ In many cases, these workers may be on contract and the number of employees covered is often not clear to the contracting employer, in other situations the number of employees can vary for a variety of reasons.
- A large-scale survey of accredited living wage employers, undertaken by Queen Mary University (London)⁷ in parallel with the final stage of this evaluation, aimed to provide an estimate of the total number of workers benefiting from an increase in their wages, as well as an estimate

[6] Nele Jensen and Jane Wills (2013) The prevalence and impact of the Living Wage in the UK. A survey of organisation accredited by the Living Wage Foundation. London: Queen Mary, University of London. Jensen and Wills recommend that the Living Wage Foundation starts to collate this information as part of the accreditation process (p5).

[7] Jensen and Wills (2013) op. cit.

of the actual increase in wages secured. The research was able to secure responses from just under two-thirds of accredited living wage employers. Based on this sample, the report concludes that nationally almost 23,000 workers benefited as a result of their employers' accreditation, to the tune of £49 million.

- While we can confirm the location of the employer, this does not mean that all their employees are based in the same location. The survey did not identify the location of the employees benefiting from a living wage and so it is only possible to provide a broad estimate of the number of workers in London benefiting. As mentioned earlier, about half of accredited living wage employers are based in London. (About half of the Queen Mary survey respondents were London-based, so can be considered broadly representative of the split between London-based employees and accredited employees elsewhere in the country.) In other words, the Queen Mary findings would suggest that **about 11,000–12,000 workers in London received a wage increase, to the tune of about £25 million overall, as a direct result of their employers' accreditation (and thus as a direct result of the Living Wage Special Initiative)**. This may not (yet) be the 37,000 workers and £111 million originally envisaged, but still represents an impressive return on the £1 million investment for Trust for London.
- Evidence from the evaluation fieldwork confirms this picture. There is **anecdotal evidence that an important element of scale is being reached in some cases**: one publicly available living wage case study (2012)⁸ reports benefits to about 100 employees and one employer interviewed as part of the evaluation spoke about 200 contract workers benefiting directly from the introduction of the living wage. A local authority suggested a potential total estimated financial impact of £2–3 million (annual figure); a second large employer spoke about the living wage essentially adding £300,000 to their wage bill. The 2012 commitment by Intercontinental Hotel Group (IHG) to a phased introduction of the living wage in its London hotels was reported to eventually benefit 850 employees⁹ with the intention to move towards paying the living wage over a five-year period. Some large employers with large numbers of low-paid workers are on board (notably Lush with 100 employees benefiting).¹⁰
- However, additional progress among larger retail and hospitality employers has remained difficult in the final year of the Special Initiative. However, continuing progress in particular in the public sector – accreditation of London local authorities as well as a commitment to implement the living wage (if not yet to become accredited) by national Government departments – suggests that **the ambition of the special initiative (37,000 employees, £111 million) may well be within reach**.

Benefits to the taxpayer

- 2.2.12. A full assessment of the potential savings to the taxpayer as a result of living wage accreditation falls outside the scope of this evaluation. However, it is important to note that there was some discussion between stakeholders as to whether or not savings to the taxpayer

[8] London Living Wage Case Study (2012), School Offices Services Ltd, available on the London Borough of Islington website.

[9] Press release on the IHG commitment on the Living Wage Foundation website.

[10] Living Wage Special Initiative: London Citizens Final Review, October 2013, p3.

should be considered as a valuable outcome of the Initiative in its own right.

2.2.13. This discussion centred around the fact that many employees who benefit from the living wage are already claiming in-work tax credits, as their income rises with the adoption of the living wage, the Treasury benefits as their ability to claim tax credits reduces. The withdrawal rate is not quite pound for pound but the loss of tax credits does mean that the net impact of the living wage is not the full difference between their original wage rate and the living wage. Much depends on individual circumstances as shown in Table 2.8.

Table 2.8. Selected tax credit scenarios – minimum wage vs living wage

	Minimum wage	Living wage (London)	Savings to HMRC
Single, childless, 30 hours per week	£338	£0	£338
Partner (unemployed), childless, 30 hours	£845	£435	£410
Partner (working), childless, 30 hours (each)	£0	£0	£0
Single, 2 children, 16 hours	£2,546	£2,451	£95
Partner (unemployed), 2 children, 24 hours	£2,393	£2,065	£328
Partner (working), 2 children, 16 hours (each)	£2,320	£1,882	£438

Source: HMRC Tax Credit Calculator (online) and CPC calculations.

Note: Annual salaries were calculated by multiplying the minimum wage (and living wage) by the number of hours per week worked and by 52 (for the total number of weeks in the year). All other variables in the tax credit calculator were kept the same when comparing the minimum wage and living wage scenarios.

2.2.14. Some stakeholders feel that loss of tax credits undermines the basic premise of the living wage campaign that it was about increasing individuals' income rather than benefiting the public purse.

“They need to reclaim the principle of the living wage, which is increasingly implicit. The argument is increasingly that it will save the Government some money through decrease in tax credits... But originally the living wage was about people, raising their living standards and quality of life” (external stakeholder)

Impact on businesses

2.2.15. A full assessment of benefits to businesses falls outside the scope of this evaluation. Indeed, a separate strand of the Special Initiative (research by Queen Mary's¹¹) explored the benefits of the living wage for employers (and employees). That being said, the evaluation can highlight a number of insights around benefits to businesses:

- **Actual benefits in terms of staff morale and relationships with workers were the main benefit** noted to date by accredited employers interviewed during the final stage of the evaluation. In a

[11] Jane Wills and Brian Linneker (2012) The cost and benefits of the London living wage. London: Queen Mary, University of London, October.

number of cases, benefits in terms of **easier recruitment of low-paid staff** were noted. This is in line with the Queen Mary research findings, which noted “improvements in the stability, attitudes and characteristics of the workers”.

“It has been good for staff morale... it has made it easier to recruit paddle pool attendants” (accredited employer)

“The quality of the staff – it’s about being able to attract better than average” (accredited employer)

“We went through a process of consultation with staff about accreditation ... individuals feel consulted. The relationship between management and workers has improved” (accredited employer)

- In addition, a couple of employers were able to point to tangible benefits in terms of **additional business secured as a direct result of being a living wage employer**: in both cases, a client with an interest in ethical procurement had explicitly opted for a living wage employer. In one instance, the client had sourced the employer by exploring the list of accredited employers on the Living Wage Foundation website. Again, attracting new customers was noted as a business benefit in the Queen Mary research.
- Although not necessarily a business benefit as such, a recurrent theme across employer interviews was **a sense of pride and satisfaction from knowing they were doing the ‘right’ thing**. This links directly to the fact that one of the main reasons for employers for introducing the living wage is the moral argument.

“[Business benefits?] We feel proud that we are accredited” (accredited employer)

“It has had a positive impact, we are doing our bit and we are proud to promote that we pay a living wage as an employer” (accredited employer)

- Linked to this, employers appear **increasingly keen to showcase their living wage status**. Last year’s evaluation suggested that at least about 30% of accredited employers referred to their accreditation on their website. This was a clear change from the 2011 situation where living wage employers appeared not particularly keen to publicly advertise their living wage status. The online survey of accredited employers suggests that this positive trend has continued, with **two thirds (66%) of respondents reporting that they advertise the living wage logo on their website**. Less than one in ten (8%) had not advertised their living wage accreditation in any way. Employers interviewed typically commented unprompted that they had put up their living wage ‘plaque’ on their premises or were planning to do so, at times comparing this directly to their Investors in People plaque. Another interesting example of interest in showcasing living wage status can be found in Islington, which flies a living wage flag above the town hall. **Employers increasingly believe in the reputational benefits offered through living wage status**.

Table 2.9. Advertising living wage status

Percentage (n=50)	%
We put up the living wage logo in some of our premises	68
We advertise the living wage logo on our website	66
We use the living wage logo in some of our publications/ materials	66
We referenced our living wage status in newsletters/eNews to staff	54
We referenced our living wage status in mail-outs/newsletters/ eNews to customers	40
We have actively encouraged other employers to sign up for accreditation	38
We participated in Living Wage Week 2012	14
We have not advertised our living wage status	8

Source: CPC online survey of accredited living wage employers (summer 2013).

2.3. Wider impacts – building public support for and awareness of the living wage

2.3.1. A second major living wage achievement over the last four years (alongside the establishment of the Living Wage Foundation) has been the mainstreaming of the living wage concept. Time and time again, individuals interviewed for the evaluation commented how **the living wage had become ‘mainstream’**.

“The living wage is now mainstream, rather than some non-issue”
(advisory group member)

“The fact that the living wage is now on the national agenda is a definitive achievement of the campaign – the Labour party seems to have almost adopted it and talk about it as a mainstream option” (external stakeholder)

“Work in London by the Foundation has raised the national profile of the living wage. The media had a large part in this. It has become a topic for conversation among businesses and politicians” (external stakeholder)

“[One of the reasons for getting accredited is that] general public awareness on the living wage was increasing” (accredited employer)

“I attended a public meeting recently and I mentioned a Council that had become a living wage employer and the room of 100 people started clapping and applauding. I totally had not expected the reaction but it shows there is broad backing among the public” (advisory group member)

“I saw a recent tweet from a Facilities director saying that the living wage is key to the facilities sector” (accredited employer)

2.3.2. Examples of the living wage having gone ‘mainstream’ are numerous:

- dedicated living wage pages on the websites of selected media outlets, including the BBC and the Guardian;
- a discussion of the advantages and disadvantages of introducing the

living wage on the Economist website;¹²

- the living wage featuring prominently during the 2013 party conference season with the Liberal Democrats supporting a motion in favour of the living wage and the Labour leader suggesting offering tax breaks for firms that offer the living wage;
- the development of a background paper on the living wage for interested MPs (The living wage, House of Commons Library, July 2013);
- an increasing number of parliamentary Early Day Motions referencing the living wage (14 in 2012–2013 compared to about half a dozen per year since 2006–2007);
- media coverage for the living wage (a selection is offered on the Trust for London living wage website; a detailed analysis of media coverage for the living wage can be found in Annex B);
- at least one reported instance of #livingwage trending in second place on Twitter (for the UK) on a Saturday afternoon in 2011, linked to a Labour Students flashmob protest;
- the launch of the Living Wage Commission, an independent, 12-month inquiry into the future of the living wage; and
- two membership organisations interviewed as part of this evaluation commented that they had started surveying their membership as to whether or not they were paying the living wage.

2.3.3. The Foundation has now run two Living Wage Weeks with the intention of raising awareness in general through mainstream media outlets, generate more interest among employers and increase accreditation. The initial **Living Wage Week (2012) was widely seen as having been very successful in building the living wage brand**. The Living Wage Foundation reported a big spike in interest in accreditation following the 2012 week, as well as increased media coverage. Stakeholders did comment however that – at the time – the Foundation may not have had the capacity to provide timely follow-up to all requests.

2.3.4. Only a quarter of respondents (11 employers) had participated in 2012 Living Wage Week. Although all 11 noted some benefits of participation, it is clear that there is scope to maximise the benefits of the Week; only about half of the participants were able to use the Week to network or increase the profile of the organisation.

Table 2.11. Benefits of participation in the 2012 Living Wage Week

Percentage (n=11)	%
It provided us a chance to celebrate our living wage status	91
It enabled us to communicate the definition of the living wage externally	55
It provided us a chance to network with other living wage employers	45
Participation increased the profile of our organisation	45
It enabled us to communicate the definition of the living wage internally	45

Source: CPC online survey of accredited living wage employers (summer 2013).

[12] <http://www.economist.com/news/britain/21565994-sense-and-nonsense-about-minimum-wages-wage-flaws>

2.3.5. More generally, accredited employers were interested in getting involved in the 2013 edition of Living Wage Week, but asked for advance notice and ideas of how to get involved:

“Help us with ideas on how to promote it as an organisation”
(accredited employer, online survey)

“Tell me more about it and what it is, what’s going on in my area, who else in my city is accredited - I’ve no idea if I’m the only one?” (accredited employer, online survey)

“Give notice so we can plan and support living wage” (accredited employer, online survey)

“A two month notice period or more so we could best plan a list of events, articles around the living wage and why it’s important to my company” (accredited employer, online survey)

“Perhaps advertise it better and further in advance - this questionnaire is the first I’ve heard about Living Wage Week 2013, and we’re about to enter a 6 week shut-down. Help us with ideas on how to promote it as an organisation” (accredited employer, online survey)

2.3.6. Living Wage Week 2013 resulted in significant exposure for the living wage, including:

- coverage in at least ten leading national newspapers and news sites (Observer, Independent on Sunday, BBC, ITV, Financial Times, Sun, Guardian, The Times, Daily Mail, Metro) and at least six different articles in the London Evening Standard;
- broadcast coverage on BBC London News, the Today programme, 5 Live and the Radio 2 Jeremy Vine Show – which included an interview with the Director of the Living Wage Foundation;
- an increase in the Living Wage Foundation’s reach on Twitter: by the end of Living Wage Week, the Foundation had an additional 700 followers (in total, the Foundation had 4,401 followers in January 2014). The Foundation also reports a doubling of ‘likes’ on Facebook (1,275 likes in January 2014); and
- formal confirmation that the government “supports” the living wage and “encourages” businesses to pay it (conditional however on the living wage being affordable) in response to an oral question in the House of Lords.

2.3.7. Only a very small number of employers were interviewed following Living Wage Week 2013 (the bulk of the fieldwork was undertaken over summer 2013). They were mixed in their views about Living Wage Week 2013: it may well be too early to point to tangible benefits, but they did feel the Week was a good idea. Encouragingly, one hospitality employer commented that, during Living Wage Week 2013, a local resident started a mini-twitter campaign about being more aware about targeting spending locally in establishments that pay the living wage.

Attributing impact – role of Special Initiative, Citizens UK and other actors

2.3.8. Interviewees referred to a range of stakeholders and factors contributing to progress in ‘mainstreaming’ of the living wage concept and securing employer and politician buy-in over the last four years:

- First and foremost, stakeholders were keen to give **credit to London Citizens** as having initiated the living wage campaign 15 years ago, commenting that they felt very little would have happened without London Citizens. The organisation was also recognised as having been the driving force in pushing the Special Initiative forward. The **Living Wage Foundation** was explicitly credited with having driven the step-change in the number of employers reached.
- Second, **Trust for London’s Special Initiative** was widely recognised as having played a key role and importantly, the role was seen as going beyond mere financial investment. Citizens UK staff themselves confirmed the important role of the advisory group in helping them to be more externally focused and in “understanding the broader context”.

“Trust for London’s role has perhaps not been recognised enough, their funding has been vital, but they also put structure in place. They put together the advisory group... I don’t think I would have been as involved without the advisory group” (advisory group member)

- Other funding bodies were full of praise for the role played by Trust for London. One funder called the campaign “*incredible good value for Trust for London*” and commented that “*no other campaign had been as effective*”. A second funder described the living wage campaign as “**on par with the likes of Make Poverty History, Fair Trade and The Big Issue**” and praised Trust for London for having taken a (calculated) risk in deciding to provide funding for the campaign.

“[Trust for London] really banged on about it and pushed it – which has been good” (funding body)

- **Support for the living wage from the London Mayor and the Labour leader** featured extensively as key factors in building public awareness and support for the living wage – **indirectly, this support can be attributed to the work of Citizens UK and the Special Initiative**. In particular, 2012 saw a commitment from the Labour leader to help achieve the goal of 20 local authorities becoming accredited living wage employers, as well as a promise by the current Mayor to work towards Greater London Authority (GLA) living wage accreditation. The drivers behind these two commitments were explored as case studies in the 2012 interim report (see Annex C). Although the case studies rely heavily on public statements, information provided by Citizens UK and the views of external stakeholders such as journalists (as opposed to interviews with sources close to the London Mayor and the Labour leader), on balance the evidence clearly suggests that:

- Citizens UK campaigning contributed to securing support for the accreditation process from Labour party and the GLA; and,
“Just before the General Election, Citizens UK came to see me with a cleaner from the Treasury ... I thought then that if our

[17] www.project17.org.uk

common life was to mean anything, it should mean that this hard-working woman ... should be paid at least the living wage”
(Ed Miliband, 2012 Living Wage Week speech)

- this support for accreditation from Labour and the GLA was a factor in the decision-making process of (Labour-led) councils and other employers.

“London Citizens have been really important in profiling the living wage ... [but] [name of Council] introduced the living wage not because of London Citizens; it just happened because Ed Miliband wanted it” (external stakeholder)

- Earlier, **the 2010 Labour Manifesto had included a living wage commitment**. Again, the balance of evidence (see Box 2.1 overleaf) suggests that London Citizens can claim some substantial credit for these successes.

“London Citizens’ work on the living wage has been very influential in the Labour party” ... “no doubt that the introduction in the Manifesto is a result of London Citizens ... I do not have any evidence as such, but it could not have been anybody else ... I do not believe that Compass or Left Foot Forward would have brought it up had it not been for London Citizens” (senior Labour Party member)

- Fieldwork in this final round of the evaluation again confirms that the Labour leader’s commitment to the living wage played an important role in bringing a number of (Labour-led) local authorities on board:

“Whether a local authority is a living wage employer depends on the colour of administration... We became a living wage employer because it was something Labour was driving for” (accredited employer)

- The **role of KPMG** as a key element in the success of the Special Initiative was stressed by numerous stakeholders – they were seen to have played a role at different levels: providing strategic advice, acting as a living wage champion in their sector, raising the bar of what active advisory group membership involved and providing direct resource input (e.g. secondment of a member of staff to the Foundation).

“The campaign has had an extraordinary amount of input from KPMG”
(advisory group member – not KPMG)

- More generally, peer-to-peer influencing – by KPMG, Business in the Community (both Living Wage advisory group members), a number of key Living Wage Foundation principal partners and others – was felt to have played a key role.
- Research evidence, in particular the **research by IPPR and Resolution Foundation**, was mentioned (unprompted) as having contributed to public debate. There are again links with the special initiative, given the £20,000 funding provided by Trust for London for the research programme.

- **Other living wage campaigners** were credited with having contributed with building critical mass, including the **Scottish campaign and the trade union movement**, but other living wage campaigners directly acknowledge the support and impact of the work in London:

“We would still have the campaign even without the London Living Wage campaign... But it would have been more difficult to support our arguments without the research done in London” (external stakeholder)

Box 2.1. Case study: Labour Manifesto

The 2010 Labour Manifesto includes a clear reference to the living wage.¹³ London Citizens were not the only organisation actively asking for the inclusion of a living wage in the Manifesto¹⁴ but **the overall impression, based on a review of media coverage and interviews with a limited number of key stakeholders, is that the role played by London Citizens was important:**

- Ed Miliband credited London Citizens among others as the inspiration behind the living wage pledge¹⁵ and explicitly referenced London Citizens in his June 2010 announcement of a Labour Party living wage campaign: *“that’s why, learning from London Citizens, unions and others, I have launched a campaign for a living wage that I want party members and others to get involved in”*.
- Several journalists who interviewed Ed Miliband mention London Citizens in their articles as having been influential. One journalist concludes that *“Maurice Glasman and the work of London Citizens is probably why there’s a pledge for a living wage across Whitehall and an interest cap and mutualism”*.¹⁶
- One senior Labour party member, interviewed for the evaluation commented that *“London Citizens’ work on the living wage has been very influential in the Labour party”* and that he was in *“no doubt that the introduction in the Manifesto is a result of London Citizens ... I do not have any evidence as such, but it could not have been anybody else ... I do not believe that Compass or Left Foot Forward would have brought it up had it not been for London Citizens”*.

The **main contribution of London Citizens appears to have been putting the living wage on the radar screen of the Labour Manifesto authors**. Ed Miliband appeared not to have been really aware of the concept when London Citizens first met with him on 10 February 2010. A speech by Ed Miliband less than two weeks earlier¹⁵ seems to confirm this: his speech does refer to the living wage, showing that he is familiar with the term as such, but he gives a different meaning to the term, linking the living wage to a salary increase as a result of upskilling.

The Labour Manifesto authors explicitly set out to listen – Patrick Diamond told one reporter that *“after 13 years inside government [our] task was to break out of the insider mindset”*. In other words, there was a readiness, an openness to seek out new ideas which proved a fertile ground for the living wage initiative. When meeting with London Citizens, Ed Miliband very quickly came round to the idea, reportedly putting two fingers to his head to signal: ‘what have I been

[13] It states that *“to underline our commitment to helping the lowest paid we will ask all Whitehall, within their allocated budgets, to follow the lead of those who already pay the living wage”*.

[14] There was lobbying by left-wing MPs, including for example a public request for including the living wage in the Manifesto by James Purnell MP and support for the living wage from the Compass movement. The living wage also topped a March 2010 poll of possible Labour Manifesto ideas on the Left Foot Forward online blog.

[15] For example, Times, 5 May 2010.

[16] Allegra Stratton. Ed Miliband’s Manifesto: Australia to Venezuela and back to London. The Guardian, 13 April 2010.

thinking?’ – “the simple message that a wage should be enough to live on just was something that clicked – it was directly linked to the core Labour agenda”.

The rest of the Labour party was not as easily convinced, with reportedly (as suggested by one Labour party member interviewed for the evaluation) Peter Mandelson in particular opposed to an introduction of the living wage. There is no evidence of any further direct intervention by London Citizens towards Labour Party members who were not supportive of the idea; it **appears to have been the dynamics of internal debate within the Labour party that pushed the issue forward**. Actual inclusion in the Manifesto came about in the form of compromise wording – an aspiration for Whitehall “to follow the lead” of those already paying the living wage, “within their allocated budgets”.

Some felt that the **suggestion in a Daily Mirror front page story that the living wage would form “the centrepiece of Labour’s election manifesto” (before this had been agreed) was important** in tilting over the balance in favour of the living wage within the Labour Party. It is difficult to know to what extent the journalist’s support for the living wage and its inclusion in the Manifesto were inspired by London Citizens. However, the journalist refers elsewhere to London Citizens as “we” and “us”,¹⁷ at the very least suggesting a close connection. To the extent that the journalist is part of what makes London Citizens, London Citizens can arguably claim credit for any additional impact the Daily Mirror article had.

- 2.3.9. Across the board then, there is **strong support to attribute impact of living wage progress to the Special Initiative, London Citizens and the Living Wage Foundation**. A limited number of stakeholders referred to the wider context in which the Special Initiative had operated – the post 2008 economic downturn and austerity government agenda – which was seen as having contributed to the success of the living wage campaign. Despite the obvious financial challenges created by the downturn (including for example public sector pay freezes), the downturn may actually have helped the campaign: **the increase in poverty and rising cost of living may actually have facilitated engagement with the living wage agenda for journalists, politicians, the wider public and employers** with an interest in a responsible business agenda and community investment. Stakeholders pointed to the increase of in-work poverty (in London) in particular, as referenced in Trust for London’s 2013 London Poverty Profile. This increase in in-work poverty was seen as having gone hand in hand with an increased recognition of in-work poverty, hence supporting the living wage case. This was felt by some to have played in particular among local authorities.

Impact of Queen Mary research

- 2.3.10. Interviewees were asked, first, whether they had used the Queen Mary living wage research and, second, a more general question as to how they assessed the impact of the research:

[17] “The minimum wage was good as it ended exploitation, but lots of people got stuck at that level. How can we show in return that for higher skills you have a higher wage, like a living wage?” (Ed Miliband, Address to Progress Manifesto Conference, 31 January 2010).

- There were ***a number of instances where the Queen Mary research was directly used by living wage stakeholders***. For example, one think tank described the research as “incredibly useful” and commented that s/he had used some of the findings in his/her own research. A second stakeholder referred to the wellbeing findings in living wage discussions with health sector employers.

“[Name of Queen Mary researcher]’s research was useful. It was good but it was a challenge to prove everything” (advisory group member)
- Stakeholders commented that the research had not achieved as much publicity as would have been hoped for (less than the research by IPPR and Resolution Foundation), commenting that the report was not necessarily an easy read, possibly limiting the scope for publicity and impact. Unprompted, the IPPR and Resolution Foundation research (as well as the 2009 London Economics research) were more likely to be mentioned than the Queen Mary research. However, IPPR and Resolution Foundation are think tanks (rather than a university) with a more explicit focus on wider public dissemination. In addition, overall there was a sense that the evidence-base is being used by “*key people*”:

“[The Queen Mary research] may not be massively out there, but key people are using it” (advisory group member)
- Moreover, there was a sense among external stakeholders (including a journalist) that “*benefits such as retention and happy staff*” are highlighted more than was the case prior to the launch of the Living Wage Special Initiative. Although the Queen Mary research was not necessarily referenced directly by these stakeholders, it seems a reasonable hypothesis that some impact could be attributed to the research findings.
- Two academic publications resulted from the research funded by Trust for London (in Transactions of the Institute of British Geographers and the Journal of Public Health Advance Access). The article in the Journal of Public Health Advance Access was referenced by Reuters in the context of the 2013 Mental Health Awareness Day.
- A number of stakeholders commented that the research did not necessarily provide the strong business case that would have really helped the campaign forward. They accepted that it was in the nature of undertaking research that findings could not be anticipated, but one stakeholder wondered whether, with the benefit of hindsight, the focus should have been more clearly on trying to identify the ‘softer’ business benefits (staff morale, reputational benefits) that have surfaced as more important over the course of the last four years. Others, however, commented that the Queen Mary research had to be seen in the original commissioning context: at the time, living wage stakeholders were interested in a clear answer as to whether or not there was a hard business case for the living wage. The research has provided greater clarity in showing that the business case is far more subtle than originally anticipated – which is where the research is offering its biggest value.

Wider recognition of the effectiveness of the living wage campaign

2.3.11. The results and achievements section would not be complete without reference to **Trust for London winning at the Charity Awards 2013 in the grant-making and funding category**, specifically for its Living Wage Special Initiative. **KPMG and the Living Wage Foundation won a Corporate Social Responsibility campaign awarded from the Chartered Institute of Public Relations** for the extensive media coverage gained as a result of Living Wage Week in November 2012. Professor Jane Wills, who was funded by Trust for London to research the benefits and costs of the living wage to employers, was awarded the Royal Geographical Society's 2013 Back Award for research "*contributing to public employment policy*".¹⁸

[18] Royal Geographical Society
2013 medals and awards.
[http://www.rgs.org/AboutUs/
Medals+and+awards/2013+
medals+and+awards.htm](http://www.rgs.org/AboutUs/Medals+and+awards/2013+medals+and+awards.htm)

3. Conclusions and lessons learnt

3.1. Conclusions

- 3.1.1. The achievements of Trust for London's four-year Special Initiative are impressive: a Living Wage Foundation has been set up and resulted in 535 accredited living wage employers by January 2014. The Foundation's business model (employers pay for accreditation), combined with additional finance secured by the Foundation to date, bodes well for its future (financial) sustainability. Citizens UK and the Foundation explicitly acknowledge that this would not have been achieved without the Trust for London funding. In other words, ***Trust for London's investment has paid off in that it has secured a clear legacy.***
- 3.1.2. Looking at the overall trend of progress across the four years of the Special Initiative, it is clear that it is the establishment of the Living Wage Foundation, more than anything else, which triggered the step-change in terms of number of employers reached and in terms of depth of the commitment of individual employers (a formal, binding commitment to implementation). Community organising over the course of ten years laid solid foundations for the living wage and the role of the campaign in helping the living wage issue go 'mainstream' was vital to engaging businesses, but the ***adoption of a formal accreditation process added credibility and ultimately delivered the step-change.***
- 3.1.3. Some challenges remain. The ***Foundation has not (yet) been able to achieve a solid break-through in the more 'challenging' sectors where low wages are a fundamental part of the business model – in particular retail and the social care sector.*** A number of accreditations have been secured, in particular Lush, alongside a number of sign-ups among smaller employers (including a number of London pubs) or 'niche' employers (for example, care providers with an explicitly ethical business model). Other major employers, such as IHG, are working towards accreditation over a five-year period. Progress is being made but not yet at the pace originally envisaged. This means that ***an element of campaigning (and community organising) remains necessary.***
- 3.1.4. ***Affordability remains the biggest (perceived) barrier to introducing the living wage.*** This means that London Citizens' traditional theory of change – trying to subtly increase the (PR) cost of not introducing a living wage to the point where this cost offsets the cost of actually introducing the living wage – still has a role to play; there remains a place for publicly 'naming and shaming' non-participating employers – something other employer organisations

interested in encouraging a culture of corporate social responsibility may not be able to do. Importantly, however, this will need to be done in such a way that the living wage 'brand' and its reputational benefits are not undermined. The joint track approach currently followed by Citizens UK (campaigning following a community organising model in the 'difficult' sectors alongside a more business-like accreditation offer from the Foundation) holds promise.

- 3.1.5. An additional strategy to tackle the barrier of affordability should be to **advertise much more widely the scope for efficiency gains when reviewing commissioning contracts**. The efficiency gains case has been made by KPMG and features in the Queen Mary research report and deserves to be further explored. This arguably is more relevant in a social care and cleaning context (where commissioning is important) than in retail. In retail, **outreach to employers in the 'ethical' business niche** may be a way forward, given early (anecdotal) evidence that ethically conscious customers are starting to pay attention to living wage accreditation.
- 3.1.6. Other stakeholders have suggested that while the adoption of a simple living wage hourly rate was central to a clarity of purpose in the campaign, there are other factors, particularly in the retail sector, that could be considered in whether an employee receives a living wage – staff discounts and other benefits such as bonus payments and pension contributions, etc. This remains a very complex issue, tied to the number of hours any individual employee works (especially with the widespread use of zero hours contracts) and cannot be divorced from the fact that for many individuals increasing their hourly rate also reduces the support they receive from tax credits – the net benefit to the individual is dependent on the withdrawal rate and HM Treasury may be a bigger beneficiary of the introduction of the living wage more generally.
- 3.1.7. Building the evidence base around consumer interest in living wage services may need to become an important role for the Foundation – in addition to **helping accredited employers develop marketing materials and strategies aimed at capturing this consumer interest**. Accredited employers are generally very happy about the support received from the Foundation throughout the accreditation process but are actively asking about support and practical inputs to maximise the benefits of accreditation – not seeing these benefits is also a reason that is stopping employers from signing up in the first place.
- 3.1.8. Second, over the course of the four years of the Special Initiative, **the living wage has gone 'mainstream'**, discussed in national media outlets, party conferences, the UK parliament and the recently established Living Wage Commission. The overall consensus is that the Special Initiative can claim credit for this mainstreaming process – directly and indirectly – through its impact on other key players.
- 3.1.9. **The Special Initiative has not yet achieved its ambition of increasing the wages of 37,000 low-paid Londoners to the tune of £3,000 per individual**. Queen Mary research data suggest

that about 11,000–12,000 Londoners benefited and that the overall gain was £25 million (or about £2,000 per individual). However, this ambition may be within reach given the solid infrastructure now in place (the Living Wage Foundation), current negotiations with London Boroughs and recent commitments by a number of national government departments. London Citizens remains committed to achieving progress in the more difficult low-paid sectors. Funders interested in fighting poverty (in London) may wish to financially incentivise London Citizens to continue to do so, for example by only paying for (or paying a bonus for) retail or social care accreditations.

3.2. Lessons learnt

3.2.1. The following draws on the survey and case study evidence from the evaluation programme as a whole on what appears to make a difference in encouraging employers to adopt the living wage. Living Wage employers interviewed in the final stage and earlier rounds of the evaluation have identified a number of factors behind their decision to commit to the living wage.

What works in encouraging employers to sign up?

3.2.2. The four-year evaluation has resulted in a fairly detailed picture around what works in encouraging employers to sign up. The box below summarises the main findings.

Box 3.1. What works in bringing employers on board?

- A senior, internal champion ***who feels sufficiently passionate about the living wage to drive change through the organisation is crucial*** (for example, Lush, the support of local council leaders).
- ***The campaign appears at its most effective when it raises awareness about in-work poverty*** and the impact this can have on those living on low wages. Mainstream awareness of the living wage does make a difference to employers, with almost two-thirds citing the “buzz” around the Living Wage as a reason to commit.
- This can be particularly successful when ***targeting companies who are already trying to behave responsibly and raising awareness, often through personal testimony of what it means to live on the minimum wage (in London)***.
- Stakeholders have also identified that ***other companies in their sector paying the living wage is a driver for accreditation*** – when one key employer accredits, others in the same sector tend to follow.
- The ***Living Wage Foundation and accreditation process*** appear to act as an important enabler of commitment adding credibility to the campaign. Practical support provided by the Foundation has been important in particular for larger employers with sub-contractors.
- ***In many instances, the introduction of the living wage ‘fits’*** where there is a wider, pre-existing commitment to addressing Corporate

- Social Responsibility or inequalities. Living Wage employers stress that a **credible accreditation process enables them to build their CSR reputational/PR benefits**.
- Commitment to the living wage which involves significant financial impact has come about through a **gradual introduction of the living wage** (for example, in the case of IHG).

3.2.3. Lush agreed to be interviewed and to feature as a named case study (first reported in the 2011 evaluation report). The case study is particularly useful as Lush is an example of a major retail employer committing to the living wage.

Box 3.2 Case study: Lush – a living wage ‘breakthrough’ in retail?

The decision by retailer Lush to introduce the living wage is an interesting one: it is one of very few (private sector) examples where an employer signs up to the living wage, despite clear cost implications. Lush staff explicitly acknowledged the role played by London Citizens in the decision-making process. That being said, there appear to have been a number of important *enabling* factors within the company and outside the control of the living wage campaign, including:

– a **pre-existing commitment to increase wages** – the company’s three-year plan already included an ambition to become sufficiently profitable to be able to pay above the minimum wage;

– a **strong internal champion able and willing to drive change through the organisation**: Lush’s owner simply decided to become a living wage employer following an article by David Cohen in the Evening Standard, in part prompted by discussions with Trust for London – London Citizens played an important indirect role (in that there is a clear relationship between the organisation and David Cohen) and in facilitating the process after the CEO had made the decision to sign up; and

– an internal champion becoming **aware of low pay as a serious issue** and wanting to react: Lush staff raised the issue of low pay with the CEO during a Christmas party; the CEO became acutely aware of what it meant to live on the minimum wage in London and reacted to this moral challenge. The ambition to run a responsible and ethical company was already there, but wage policy had not been as high and as explicitly on the agenda.

In other words, the Lush example may hold lessons for the living wage campaign around targeting (i) senior managers in (ii) companies who are trying to behave responsibly but (iii) who may not be explicitly aware of what it means to live on a minimum wage in London.

3.2.4. There appear to be a number of lessons that are sector-specific. In particular, success in the higher education sector was linked by most stakeholders to the **nature of the sector** rather than any particular campaigning strategy unique to this sector. The specific

sector-specific elements in the higher education sector identified by stakeholders were as follows:

- a (perceived) higher proportion of idealistic and liberal people;
- the presence of a student body offering a ready pool of campaigners;
- cleaners on the same premises as the campaigners (students) facilitating networking and joint strategising; and
- a strong tradition of comparison between institutions.

Box 3.3 Case study: Lewisham

Lewisham first committed to the living wage in May 2008, prior to the launch of the Special Initiative. However, its first living wage tender (a parks and grounds maintenance contract) was launched in November 2009, following the launch of the Special Initiative. This led to 132 people on the park maintenance contract being upgraded to the living wage.

Discussions were held with a number of Lewisham officials and politicians to explore the role played by London Citizens in bringing the living wage to Lewisham. The main factors influencing the Council's decision were considered to be:

- a strong political commitment from the Mayor and Council – Lewisham has a directly elected executive mayor which is an important factor;
- the example set by the Greater London Authority in 2005;
- a wider context of ongoing discussions within the council on low pay in London; and
- a motion on the living wage, introduced by a Green party councillor and adopted by the Council.

London Citizens were credited with:

- having put the living wage on the agenda of the Greater London Authority in the first place and thus indirectly bringing it to Lewisham's attention;
- having raised general awareness of the living wage in Lewisham: *"there was a level of awareness about the living wage which simply would not have been there had it not been for London Citizens"* (policy maker);
- having raised the issue of low-paid contract workers – the Council had already been discussing the issue of low paid staff, but this did not initially include detailed discussions about contract workers; and
- perhaps most importantly, having acted as an *"important reminder"* that there was external support for the issue and having helped to *"keep up the profile given the current economic climate"*. Most felt that London Citizens did not trigger political interest in the issue in Lewisham. One stakeholder commented: *"the motivation for it followed from the work at GLA level. It was a natural progression. It would not have made sense not to try introducing it in our own borough"*. However, stakeholders did recognise that London Citizens helped keep the living wage high on the political agenda.

“I do not doubt the Mayor’s personal commitment to this agenda. But ... the fact that there was a bigger momentum and that the awareness was there, helped”

“[Would we have] expended the time and effort needed to bring it to conclusion? ... It is about moral support: they show that there is a substantial body of opinion, a number of people thinking that this is a good idea. Whenever you do something, you tend to hear from people who think it is a bad idea”

For some, the role of London Citizens appears to have been smaller:

- There was little or no evidence of a change in attitude as such as a result of contact with London Citizens. One stakeholder commented: *“Personally I was convinced very early on. To some extent they were knocking on an open door”*. Another answered that *“you do not need London Citizens to convince people – a living wage is a no-brainer”*.

Views differed as to whether the London Citizens grassroots groups or the London Citizens organisers had been most important. According to some, London Citizens grassroots group work had not made a difference: *“there was no grassroots campaigning on the living wage in Lewisham. The living wage was not a priority for the Lewisham London Citizens group ... I have not been in touch with the London Citizens grassroots, only with the organisers”*. Other key players, however, did feel that grassroots work had played a role – for example pointing to meetings between the Mayor and the Lewisham London Citizens grassroots group.

Overall then, the main mechanism through which London Citizens appears to have contributed to introducing the living wage in Lewisham is by *raising awareness* rather than *changing opinions* – raising awareness of the living wage itself, of the issue of contract workers and, crucially, the fact that there is external support for the introduction of the living wage.

3.2.5. Drawing on these findings around what has ‘worked’ in encouraging employers to sign up, a number of key issues can be identified in relation to the ‘more difficult’ sectors (retail, hospitality, non-Labour local authorities).

- ***The nature of the sector matters*** – the Foundation may need to *explicitly* acknowledge that it is more challenging for a large retail or hospitality employer to commit to the living wage by adopting more flexible approaches:
 - o It has already done so implicitly in the case of local authorities (and others) by allowing for a gradual transition towards full living wage compliance as and when contracts come up for renewal.
 - o Crucially, the IHG has similarly announced its public commitment to becoming a living wage employer as a gradual (five-year) transition process. A breakthrough in the retail and hospitality sector may require making this gradual process and stepped approach more explicitly acceptable.

- o Another consideration which has garnered much debate is what constitutes a living wage and whether this is always a simple hourly rate of pay or a combination of employee benefits.
- **Revisiting of the 'business case' in the broadest possible sense of the word** – in particular if there are significant financial implications, the campaign must be able to offer a positive and convincing answer to an employer's question as to 'what is in it' for their organisation, over and beyond moral arguments. Two issues come together here:
 - o There are clear indications, both in the evaluation fieldwork and in the research by Queen Mary that there may be pronounced benefits in terms of employees' pride in working for a living wage employer. Further developing this evidence base (for example by running a simple online survey among the staff of a limited number of accredited living wage employers) may provide the Foundation with crucial additional evidence in this respect.
 - o The above suggests that it is now also vital to get robust evidence on how many employees are benefiting from the implementation of the living wage. The recent Queen Mary research has provided some indication of the number of employees and whether they are employed directly by businesses or through contracted-out services. More needs to be done to embed this information into the accreditation process to better understand the scope and scale of the living wage impact but also to feedback to other employers as part of the campaign.
- Finally, given that so much of the living wage campaign's success to date depends on having a truly committed senior champion, **casting a wider net in the retail and hospitality sector** may be a worthwhile strategy in terms of going forward, as it increases the chances of 'hitting' one of those truly committed individuals. Indeed, the campaign appears to have come close to a 'hit' in this respect in the context of their Tesco campaign, before the resignation of the individual concerned. It also seems to sit at the heart of the success of the Lush commitment. The challenge in going forward is finding the next company with a similarly committed senior champion.

The role of community organising

- 3.2.6. The theory of change supporting the Special Initiative and Citizens UK's living wage work has shifted over the course of the four-year initiative. Originally, Citizens UK's living wage campaigning model focused on reputational risk: the organisation used (and uses) its civil society power base to try subtly shifting the balance of self-interest for the employer: the (public relations) cost of not introducing a living wage starts to offset the actual cost of increasing wages to living wage level. Although in theory there were potential PR benefits to being a living wage employer, few if any employers advertised their living wage status in those early stages. The Special Initiative, and in particular the launch of the Living Wage Foundation, saw a gradual shift in focus away from the reputational risk (stick) approach towards a reputational benefit (carrot) approach – benefits identified by employers include

securing the approval of peers or the Mayor, the PR opportunities offered by the Living Wage Week and the availability of an attractive living wage logo. The 'campaign' arm of the living wage work continues to use (media) PR pressure, in particular targeting public sector bodies and the more 'difficult' sectors of social care and retail.

3.2.7. The question as to whether or not there is something uniquely effective in the community organising approach to living wage campaigning was discussed in detail in the 2011 interim report. The main findings were that there is evidence to suggest that the community organising methodology makes a difference to the effectiveness of the campaign a number of levels:

- First and foremost, the personal contact between organisers and members appear to be an important driver in keeping individuals involved – members comment that they would be very unlikely to be involved in the living wage campaign if it was not led by London Citizens. In terms of engagement, the evaluation presents a strong endorsement of the community organising approach and especially community organising's focus on personal contact.
- Secondly, the ability to keep individuals involved matters because it enables London Citizens to mobilise large groups of people to attend assemblies or undertake actions. In the words of community organising, it gives them the 'power' to put pressure on duty-bearers and hold duty-bearers to account. London Citizens' ability to mobilise was often what its partners admired most:

"They can get 2,000 people to turn out on a regular occasion – it is difficult to achieve that" (funding body)

- Thirdly, their network gives them a direct access route to individuals directly affected by low pay. This enables London Citizens staff to be more passionate and credible spokespeople than traditional campaigners and allows for personal testimonials – both of which are referenced by employers as important strengths of the process. There is a sense that assemblies are more likely to make a difference to politicians; private sector employers acknowledge that attendance at an assembly adds a dimension, but it seems less crucial in the 'conversion' process.

3.2.8. Several stakeholders commented on the importance of the community organising component of the Living Wage Special Initiative, including a strong suggestion to keep this community organising component alive.

"It is striking that this campaign has arrived straight from the grassroots. This is something that matters to ordinary people who have managed to have their voices heard. This is aspirational and motivating – it is possible to develop a national campaign and get big employers on board. This is really important for other grassroots to see, especially as other advocacy channels have suffered from funding cuts and there is a general feeling that they can no longer influence" (funding body)

"I am a little concerned how the campaign has changed. It started as a grassroots campaign where they stood in protest in Tate Gallery, it was about people power. Now it is people IN power: employers agree to pay the living wage because they are a nice employer, it is good for their CSR. It seems like they have lost some of their grassroots people power. It takes time to organise people. Employers need to hear fresh stories face to face"
(funding body)

- 3.2.9. London Citizens' vision for the future is a twin-track approach: the Living Wage Foundation continues to pursue accreditation among a wider range of employers; London Citizens continues to use community organising methods to aim for progress in more difficult sectors, including retail and social care, and maintain widespread public and political interest for the living wage. There is ample evidence in this evaluation to fully support such an approach and help the living wage campaign further improve its profile in the policy agenda and thereby increase the number of employer accreditations in future.

Annex A: Tracking progress in retail, hospitality and local authorities

Table A1. Local authorities committed (<2012) or accredited (2012 & 2013)

	< Sep 09	Sep 2010	Sep 2011	Sep 2012+	Nov 2013+
GLA	✓	✓	✓	✓	✓
London Councils	✓	✓	✓	✗	✗
Ealing	✓	✓	✓	✓	✓
Lewisham	✓	✓	✓	✓	✓
Tower Hamlets	✓	✓	✓	✓	✗
Southwark	✓	✓	✓	✓	✓
Lambeth	✓	✓	✓	✓	✓
Islington*	*	✓	✓	✓	✓
Camden		✓	✓	✓	✓
Greenwich		✓	✓	✗	✓
Hackney		✓	✓	✗	✗
Waltham Forest		✓	✓	✗	✗
Haringey			✓	✓	✗
Enfield				✓	✗
Hounslow				✓	✓
Brent					✓
	7	12	13	11	10

* There is only clear evidence of a commitment prior to October 2009 by the Islington Ecology Centre.

+ From September 2012 only those organisations accredited or working towards accreditation are included; from November 2013 only fully accredited organisations are included.

Table A2. Retail employers committed (<2012) or accredited (2012 & 2013)

	< Sep 09	Sep 2010	Sep 2011	Sep 2012+	Nov 2013+
Westfield Shopping Centre	✓	✓	✓	✓	✗
Lush			✓	✓	✓
Skoob Books					✓
G. Baldwin & Co					✓
Kudox Ltd					✓
	1	1	2	2	4

+ From September 2012 only those organisations accredited or working towards accreditation are included. From November 2013 only fully accredited organisations are included.

Table A3. Hospitality employers committed (<2012) or accredited (2012 & 2013)

	< Sep 09	Sep 2010	Sep 2011	Sep 2012+	Nov 2013
Tate Catering	✓	✓	✓	✗	✗
Hilton	✓				✗
Maybourne Group		✓	✓	✓	✗
Joiner's Arms Shoreditch					✓
Twist London Limited					✓
Truscott Arms					✓
Innovision					✓
Ivy House Community Pub					✓
Faucet Inn					✓
	2	2	2	1	6

Note: Tate Catering is a special case, given the London Citizens' focus on hotels. Tate Catering is included as a living wage employer in the 2010 baseline list of living wage employers. One employer (Ikhofi), included as hospitality employers in the Living Wage Foundation's monitoring information, is excluded because they sell and lease coffee vending machines.

+ From September 2012 only those organisations accredited or working towards accreditation are included. From November 2013 only fully accredited organisations are included. Please note that Intercontinental Hotel Group has publicly committed to introducing a living wage; it is not yet, however, in the process of working towards accreditation.

Table A4. Higher education employers committed (<2012) or accredited (2012 & 2013)

	< Sep 09	Sep 2010	Sep 2011	Sep 2012+	Nov 2013+
Birkbeck	✓	✓	✓	✗	✗
London School of Economics	✓	✓	✓	✓	✓
Queen Mary, University of London	✓	✓	✓	✓	✓
London School of Hygiene and Tropical Medicine	✓	✓	✓	✗	✓
School of Oriental and African Studies	✓	✓	✓	✗	✗
London Business School	✓	✓	✓	✓	✓
Goldsmiths	✓	✓	✓	✗	✗
Institute of Education	✓	✓	✓	✗	✗
University College London			✓	✗	✗
University of East London				✓	✓
St Mary's University College					✓
	8	8	9	4	6

+ From September 2012 only those organisations accredited or working towards accreditation are included. From November 2013 only fully accredited organisations are included.

Annex B: Media coverage analysis

- Although the living wage continues to be reported by the national media, there appear to have been a considerable drop in media coverage picked up by Google News over the past 12 months; between September 2012 and August 2013 Google News picked up 31 articles published online and referencing both London Citizens and the living wage, which is less than half of the number of articles in the previous 12-month period.

Table B1. Media coverage of the London Living Wage (number of articles)

	2013*	2012	2011	2010	Total
Guardian	11	53	30	34	110
London Evening Standard	24	55	21	35	102
Daily Telegraph	6	5	2	2	9
BBC News	22	32	13	39	84

Source: Guardian online, London Evening Standard online, Daily Telegraph online (17 September 2013).

*1 January to 17 September 2013.

- The most obvious reason for a peak in media coverage during 2012 has been the activity linked with the Mayoral elections in London, where the concept of the living wage formed a highly visible part of the election debate.
- To some extent this might be to do with the fact that the living wage seems to have matured as a concept where arguments (for and against) have become well known and accepted in the 'mainstream' and less frequently linked with London Citizens specifically – there have been a number of national and local living wage initiatives that have developed over the recent past, including the Living Wage Commission launched in summer 2013. The newly formed Living Wage Foundation has generated good coverage – there were 13 articles that mentioned the Living Wage Foundation in September 2013 alone. Limited evidence also suggests that the living wage debate has moved from a national to a local level as and when local authorities have debated on whether they should introduce a living wage.

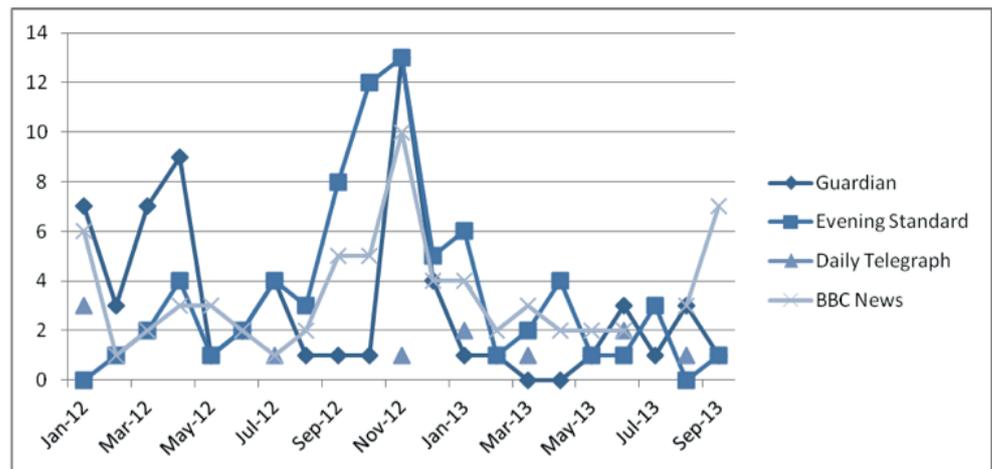
Table B2. Media coverage of London Citizens and Living Wage 2010–2012

	Sep 12–Aug 13		Sep 11–Aug 12		Oct 10–Aug 11		Jan–Sep 2010	
	No	%	No	%	No	%	No	%
National media	6	19%	17	27%	13	25%	25	60%
Guardian	8	26%	10	16%	9	18%	11	26%
London Evening Standard	2	6%	6	10%	4	8%	0	0%
Local media (London)	6	19%	n/a	n/a	n/a	n/a	n/a	n/a
Local media (outside London)	2	6%	n/a	n/a	n/a	n/a	n/a	n/a
All coverage	31	100%	63	100%	51	100%	42	100%

Source: Google and CPC calculations.

- The chart below provides a more detailed analysis of media coverage on the living wage in 2012. There seem to have been three specific peaks in coverage that clearly stand out, corresponding to the Party Conference season (September), Living Wage Week (November) and the Mayoral election in London (March and April). The Mayoral election in particular seems to have had a strong impact on media reporting in the Guardian, BBC and Evening Standard, whereas the concept of the living wage had several mentions in the Daily Telegraph during the Living Wage Week in November, including links to videos of speeches by Boris Johnson announcing the new living wage rate (“Boris Johnson: ‘living wage’ makes economic sense for London”) and Ed Miliband calling for companies to make public whether or not they’ll be paying the living wage (“Ed Miliband: name and shame companies not paying Living Wage”), although not all of the articles have been supportive of the concept of a living wage.

Figure B1. Increase in media stories in the run-up to Living Wage Week (November 2012)



Source: London Citizens

Annex C: Targeting politicians – case studies

Box C1. Case study: Labour local authorities

Labour Local Authorities Case Study

In 2010, shortly before the general election, London Citizens was in touch with officials and low paid staff in Whitehall about the living wage. As part of this work, London Citizens organised a meeting with Ed Miliband, then Secretary of State for Energy and Climate Change, to raise the issue of low wages paid to cleaners working in government buildings. Shortly after this meeting (which was also attended by a cleaner from the Treasury who was being paid less than the living wage), the Labour Party committed in its Election Manifesto to pay the living wage in Whitehall departments. This commitment was discussed in more detail in the 2010 baseline evaluation report of the Living Wage Special Initiative. Ed Miliband recently suggested that it was this experience, learning about the circumstances of *“this hard working woman, who cleaned the office of the Chancellor of the Exchequer”*¹⁹ which inspired him to put the living wage at the centre of his leadership campaign.

One year later, in the autumn of 2011, 13 London local authorities, including London Councils and the GLA, had committed in principle to a living wage (see the 2011 interim report). London Citizens had been in contact with relevant local authority representatives but despite all 13 authorities committing in principle, only two (Islington and Lewisham) had taken any concrete steps towards accreditation. London Citizens again approached Ed Miliband, now Leader of the Opposition, to inform him that, despite authorities' initial commitment, only two Labour-led local authorities were recognised as living wage employers. In a meeting, the Leader of the Opposition committed to working together with London Citizens on the living wage. During 2012, two round table meetings and other events were set up and attended by London Labour leaders, the Leader of the Opposition's office, unions and London Citizens. In addition, the Living Wage Foundation and the Leader of the Opposition's office reached out to Labour-led local authorities outside London to also commit to the living wage.

Currently, ten Labour-led local authorities in London are accredited living wage employers (or working towards accreditation), as identified in Annex A of this report. In November 2012 on the first day of Living Wage Week, Ed Miliband announced that Islington and Lewisham had been joined by Labour councils in Birmingham, Hounslow, Lambeth, Camden, Oxford, Preston, Southwark and Hackney as accredited living wage employers, with Ealing, Enfield, Brent, Cardiff and Norwich reported as working towards accreditation.

[19] Ed Miliband's speech on the Living Wage at Islington Town Hall to mark the start of Living Wage Week, 5 November 2012.

What works

It is clear from discussions with senior representatives from Labour-led local authorities and other key stakeholders that the **strong commitment by the party leader and leadership at the local level** has been important in pushing local authorities to take the necessary steps to implement the living wage. The Special Initiative can congratulate itself as being the driving force behind this commitment – a direct quote from Ed Miliband suggests that it was the meeting with London Citizens, as the campaigning arm of the London Living Wage Special Initiative, that convinced him about the Living Wage concept.

Thus, the decision to commit was usually at least partially based on the fact that the party leadership was asking local authorities to pay a living wage. Support by the Special Initiative, in the form of **one-to-one meetings with and support provided by the Living Wage Foundation** to discuss ‘tricky areas’ as well as **research evidence on the benefits of the living wage** were quoted as also being helpful when taking practical steps towards accreditation.

“We were already thinking of the living wage, it was already in our agenda but the discussions with Living Wage Foundation helped to bring it from policy level discussions to practicalities” (living wage local authority official).

The role of the **first local authorities accrediting** and ‘piloting’ the living wage, most notably Islington, was seen as important and helpful by other local authorities. The wholehearted commitment by Islington and the knowledge of the fact that *“someone else had already gone through the process”* was seen as reassuring. The fact that Islington, together with the GLA, had commissioned a study on legal issues around embedding the living wage in local authority commissioning and contracting process was seen as important. It was similarly found beneficial that **trade unions were part of this process** and active members in discussions.

Local authorities that had already committed to paying a living wage found the Foundation’s non-rigid approach and the **flexibility of timescales** helpful, particularly as for some local authorities, a number of larger contracts were coming up and careful financial planning was needed to ensure that they can continue to afford paying a living wage.

Challenges to implementation

Although there have been a number of Labour-led local authorities that have recently come forward as accredited living wage employers, challenges remain in ensuring that everyone working for accredited local authorities, including contracted staff, will be paid at least a living wage. The key challenges remaining are as follows:

Legality: Stakeholders raised concerns over the legality of asking contractors to pay a living wage under EU law. Several pieces of research have been conducted in the UK including two legal opinions by the national government, all of which have identified risks that asking contractors to pay a living wage breached rules on procurement. Legal advice states: *“Special contract conditions, such as a requirement to pay a minimum wage, can only be imposed in public contracts if they relate to the performance of the contract”*.

[20] Including a Polish construction sub-contractor in Luxembourg that paid its staff “less than half of locally valid collective agreement”; Latvian building firm in Sweden that paid “extremely low wages” compared to the minimum wage that was customary for building workers in the country; and a Finnish shipping company sailing under the Estonian flag enabling the company to replace the Finnish crew with “considerably lower paid” sailors from Estonia, <http://www.wsws.org/articles/2008/apr2008/euro-a14.shtml>

[21] Under pressure from the European Trade Union Federation (ETUC), Monti had added the following passage into EU legislation concerning the free movement of goods: “In addition, the Directive should not be interpreted as affecting in any way the exercise of fundamental rights as recognised in the Member States and by the Charter of Fundamental Rights of the European Union, including the right to take industrial action.” The Charter of Fundamental Rights consists of several articles that are potentially relevant to a living wage, including on Fair and Just Working Conditions (Article 31), Family and Professional Life (Article 33) and Respect for Private and Family Life (Article 7).

A number of legal cases in Europe have concluded that public sector contracts should not be linked to the payment of wages at locally agreed rates of pay. All the highlighted cases involved contractors paying considerably lower wages than was the local norm.²⁰ These rulings have since been heavily criticised by many politicians, the media and trade unions in the countries concerned, who condemned the European Union for ‘salary dumping’; the European Court of Justice has been accused of not considering the ‘Monti Clause’ concerning the free movements of goods,²¹ stating the Directive should not be interpreted as affecting in any way the exercise of Fundamental Rights as recognised in the Member States and by the Charter of Fundamental Rights of the European Union, several articles of which consider the rights to fair working conditions and family life. The legal risks have not stopped local authorities to adopting the living wage. As commented by one stakeholder: “Yes, there is a slight grey area but no one has been sued over it [in the UK], there would be too high reputational damage and associated costs for anyone to try, so we have gone ahead anyway”. The local authorities involved said that being part of a bigger campaign has been reassuring: “We are part of the movement, there is security in numbers. It is less likely to be challenged legally if many local authorities adopt it”. It was also suggested that there are examples elsewhere in Europe, including in France, where ‘best value’ in public contracts is defined as a combination of cost, social and environmental factors rather than a price of contract alone.

Joint commissioning and procurement of public contracts: Local authorities and other public bodies have increasingly adopted integrated commissioning practices to introduce better value for money and improved services that cut waste and duplication. This means public sector bodies forming cross-boundary consortiums to jointly procure services, such as cleaning, maintenance or social care contracts. For example, in West London, the West London Alliance (WLA) is a partnership of six West London councils – Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow. The commitment to the living wage varies across the local authorities, which can potentially cause problems, particularly when the political make-up is different in each local authority. This can become increasingly problematic as the living wage is (increasingly) politicised and branded as a Labour-led notion in the national media, and the Mayor of London remains the sole, if important, torch-bearer for the living wage outside Labour ranks.

(Future) cost: Committing to a living wage means a substantial investment in financial terms – one local authority’s financial forecast suggests in the region of “two to three million pounds” additional annual cost. Contracts for social care were highlighted as a particular challenge due to the size of the contracts and the mechanisms of the contract, it often being commissioned across several boroughs, some of which are Labour led and some of which are not. Another challenge in introducing a living wage for social care contracts relates to the uncertainty of what will be the government responses to the Dilnot inquiry on standards of social care. The Treasury has as yet to respond to the Dilnot Commission’s plans for reform of long-term care in England that would cost an initial £1.7 billion. None of the local authorities have introduced a living wage for social care contracts (as yet).

Awareness and attitudes of local officials: several local authority officials noted that resistance to introducing a living wage was evident among some of their colleagues. Associated costs of implementation, the legal implications and a risk of increasing unemployment locally were cited as arguments used against the introduction of a living wage. To some extent these doubts have been overcome by shared learning from others as well as research evidence produced by the Special Initiative and others.

Box C2. Case study: 2012 London mayoral elections

London Mayoral Election Case Study – community organising in action

London Citizens organised public ‘hustings’ on 25 April 2012, eight days before the Mayoral election. The candidates were faced with (reportedly) the largest audience in the whole campaign with 2,500 citizens attending the Mayoral Election Assembly. The mayoral candidates responded to a *Citizens Agenda*, produced by London Citizens based on a nine-month **listening campaign in local communities**. A Living Wage for Londoners was one of five specific proposals alongside governance, housing, street safety and opportunities for young people. This was the fourth time London Citizens has held a Mayoral Election Assembly.

All mayoral candidates spoke about the London living wage in the Assembly and committed to remaining supportive in the future:

- Boris Johnson cited his previous work on the London living wage and how he saw “no reason why the whole of the FTSE 100 should not sign up to the London Living Wage, and all of Whitehall”.
- Ken Livingstone described the London Living Wage as one of the things he is proudest of and commented that, if he became Mayor, “*the London authorities will not deal with anyone who does not pay it*”.
- Jenny Jones stated that the Green Party shares goals with London Citizens, and that she had pressured Boris every year on the London living wage.
- Brian Paddick stated that he was “*totally committed to the living wage*” and that, if he became Mayor, anyone who has anything to do with City Hall, including sub-contractors, would pay the London living wage.

External stakeholders generally felt that the London living wage was on Mayoral candidates’ agenda only because of the work and commitment by London Citizens over the past decade. Stakeholders recalled that it was Ken Livingstone, as the first elected Mayor for London, who set up the London Assembly Living Wage Unit in 2004 and that this came about because of London Citizens. They also felt it had been London Citizens who have kept the living wage on the Mayor’s agenda.

“It would be ludicrous to say that GLA would have taken on Living Wage without London Citizens, although you obviously need a crystal ball”

“The GLA bought the idea under Ken, but London Citizens were important in highlighting the central question on why it mattered – it was attractive to public domain”

“Trade unions were once powerful but there was nothing on their absence – who else would have been there to push that without any advocate and propagator? The impact of London Citizens has been monstrous”

“In terms of the Mayor supporting London Citizen’s manifesto and the Olympic village being living wage – London Citizens have been absolutely instrumental, they got [the living wage] on the public agenda and kept it there, they made it relevant”

In the previous Mayoral Election Assembly in 2008, the then Mayoral candidate Boris Johnson pledged his support for the London living wage. In the 2012 Assembly, Boris Johnson was told by community leaders what they felt were his achievements and where they felt he had fallen short, in particular in not using the GLA and LDA bodies to promote the London living wage.

The morning after the Mayoral Election Assembly, Boris Johnson’s team provided written responses, committing to all the living wage pledges asked by London Citizens. In particular, he agreed to announce the London living wage figure annually in person and ensure full compliance and living wage accreditation across the GLA family – something the GLA had not signed up to prior to the Assembly. He also pledged to work with the Living Wage Foundation to develop a multi-stakeholder Advisory Council that includes GLA Economics and living wage employers, in order to guide and provide support on matters relating to living wage policy. In his election Manifesto he had already pledged to increase the number of London employers paying a living wage to 250.

It is evident that since being re-elected as the Mayor for London in May 2012, Boris Johnson has continued to champion the London living wage, for example:

- regularly writing columns or being quoted in national newspapers as championing the London living wage;
- making the case for adopting the living wage and prompting hospitality sector employers to sign up for a living wage in his speech during the British Hospitality Association (BHA) Annual Lunch held in London in 2012: *“My view is that not only is it in the interest of individuals, but it’s in the interest of the businesses they serve. Workers should be paid the London living wage... Those businesses that do enjoy greater loyalty and retention of staff and gain a range of long term efficiencies”*;
- most recently on 5 November 2012, he announced, in person, the new London living wage rate of £8.55. In his speech he supported the rise in the living wage and argued that a move to a living wage would not just be beneficial for the individual but *“made economic sense”* for the whole of London’s economy.

What works

The London Citizens approach to the Living Wage Campaign, including their **community organising**, was considered to have been instrumental by

individuals who had been involved in or targeted by the campaign. This approach includes initial **listening events in local communities**, which included thousands of one-to-one meetings and voting by members of over 220 schools, faith groups and civil society institutions. This is followed by **preliminary meetings with decision makers**, including with Mayoral candidates and their teams prior to the Assembly, to develop and maintain relationships and to discuss how London Citizens and the Mayor could continue to work together and campaign for living wage and other issues raised in the listening events. The meetings typically involved a larger group of seven to ten Citizens representing different organisations and groups across the city, including schools, churches and trade unions. London Citizens' approach does not fit into any particular 'box', which was seen as its particular strength. The Citizens are seen as powerful stakeholders in the city – they are the voice of London, **bringing together people and organisations from different backgrounds**.

“They have usually been taken by surprise when they first meet up – for example, although trade unions are involved they are not threatening strikes”

“London Citizens are clear manoeuvres, people who are engaging in London issues – you almost need to go through them. They have now been built into the project of Mayor”

“In the last two years they have developed that critical mass, [living wage] has become a public issue”

The large **Assemblies with testimonies by people paid below and living wage** were seen as powerful in engaging with politicians and making them accountable. Unlike other election 'hustings', the Assembly event focused on accountability and candidates were asked to make specific pledges in front of an active, participating audience.

“The main impression you get from Boris is that he’s finally woken up to some home truths about how Londoners feel. Maybe it’s a coincidence that Britain went back into recession on the same day, but suddenly the narrative from him has shifted on to jobs and away from other things.”
(Chris Wimpres in Huffington Post, 25 April 2012)

“It was an educational event, there were moving testimonies. It would have been difficult not to pay attention to it, you learnt about everyday lives of those paid below living wage. It was about our city, raw numbers of living wage, what it means practically to earn £x/hour or work x number of hours a day”

It is difficult to know for certain what reasons lay behind Boris Johnson's continued and strengthened support to the London living wage. Stakeholders anecdotally believe that the Mayor's commitment to the living wage goes beyond what would be “business as usual” and his calls for the living wage are often following similar lines to London Citizens, e.g. most recently urging David Cameron to follow his lead by paying all staff across Whitehall the London living wage.

“Boris has recently written an article in the Telegraph about Living Wage – he did not need to do that. He is such an ambitious man, so it is difficult to know to what extent he would be scarifying his principle but he has a lot of time for living wage. His championing has been remarkable”

“Boris is strongly behind a living wage. A cynic may say that this is quite a popular policy, which does not cost the government any money, even maybe minor positive impact to tax-taking. It was an initiative that was already up and running, so his conclusion might have been ‘why change’? However, it can also be the case that work by London Citizens and others has more actively convinced him. I think the non-cynical view is dominant as [his commitment] is a way ahead of his party, it is not just that ‘Ken did it so I follow”

“He raised the issue of living wage when he was giving a speech for a lot of hospitality sector executives. He did not need to do that and he said in his speech that they probably don’t want to hear but he will talk about it anyway”

A more sceptical view was that, if Boris Johnson was really convinced by the living wage, he would go beyond the GLA (which is Labour led) to put pressure on Conservative-led local authorities.