

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: The real Living Wage Campaign in Greater Manchester

DATE: 23rd February 2022

FROM: Lou Cordwell, Chair of the LEP

PURPOSE OF REPORT:

To update LEP members on the launch and progress of the real Living Wage Campaign in Greater Manchester. The project to become the first city region to pay all employees a real Living Wage is one of the LEP's key deliverables for this year.

RECOMMENDATIONS:

The GM LEP Board is requested to:

1. Note the report
2. Provide input on the best way to leverage the business networks of members to increase the reach of the campaign, particularly for the Hospitality and Leisure, the Large Private Sector Employers, and the Small and Medium Enterprises (SMEs) strands.

CONTACT OFFICERS:

Ravi Badat
Economy Programme Lead, GMCA
ravi.badat@greatermanchester-ca.gov.uk

John Wrathmell
Director for Strategy, Research & Economy, GMCA
John.wrathmell@greatermanchester-ca.gov.uk

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G	The campaign has a focus on areas of the economy in which women and communities experiencing racial inequalities are over represented, such as in Adult Social Care. This campaign aims to raise the pay of all those workers currently on the government mandated minimum wage in Greater Manchester.	
Health			
Resilience and Adaptation			
Housing			
Economy	G	The campaign should contribute to a more inclusive local economy with higher levels of saving and spending. The increase in the minimum pay rate to the real Living Wage should not lead to any job losses as the decision will be taken by employers voluntarily and in good faith. When combined with the Good Employment Charter, gains should not be offset by a reduction in worker benefits. However, the impact on the number of employment opportunities is unknown. This campaign aims to raise the pay of all those workers currently on the government mandated minimum wage in Greater Manchester.	
Mobility and Connectivity			
Carbon, Nature and Environment			
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target		While the campaign in of itself does not directly contribute, businesses who pay the real Living Wage and become members of the Good Employment Charter could then be referred to bodies that assess and accredit organisations on their environmental practices, such as B Corp.	
Further Assessment(s):	Equalities Impact Assessment		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Risk Management: N/A

Legal Considerations: N/A

Financial Consequences – Revenue: There are no specific financial consequences associated with this work.

Financial Consequences – Capital: There are no specific financial consequences in associated with this work.

Number of attachments to the report: 0

1. INTRODUCTION

- 1.1 The real Living Wage (RLW) is an independently calculated rate based on the cost of living and is paid voluntarily by employers. The rate is currently £9.50 and is determined each year in November by an analysis of what is needed order to afford a basket of goods required for a decent standard of living. As of April 2022, the RLW will increase to £9.90, compared to the increased minimum wage of £9.50.
- 1.2 Payment of the real Living Wage to employees across Greater Manchester is one of the mains pillars of the Greater Manchester Economic Vision in its aim to encourage inclusive, fair, economic growth. The project is a key LEP deliverable which will be overseen by a taskforce led by the LEP and included in the 2021/22 Business Plan.
- 1.3 The Independent Inequalities Commission (IIC) report recommended that Greater Manchester aims for 100% of employees to be paid the RLW by 2030. This overall ambition for the next decade informs the work undertaken in the immediate term.
- 1.4 Local Authorities who accredit with the Living Wage Foundation - a third sector body that offers a kitemark to organisations who pay the RLW in exchange for an annual fee - must meet the criteria that they either pay their directly employed and subcontracted staff the rate or have a clear plan to do so over a three-year period. Employers can pay the RLW and not accredit, either from a lack of awareness or volition.
- 1.5 Councils who have accredited with the Living Wage Foundation can go a step further and commit to becoming a 'Living Wage Place' in which the local authority work with public sector organisations and the private sector to promote the RLW in their locale.
- 1.6 In Greater Manchester we are building on the 'Places' work to become the first Living Wage City-Region in which as many people as possible are paid at the RLW. The campaign will run until 2024, acting as a staging post to the goal set by the IIC.
- 1.7 This work is entirely complementary to the GM Good Employment Charter which describes 7 characteristics of good employment, including payment of the real Living Wage. The RLW can act as a 'hook' for a wider consideration of better employment practices, as covered by the Charter.

2. CAMPAIGN OVERVIEW

Structure

- 2.1 The campaign will last initially between 2021-2024 and is broken down into 7 action strands, each with a focus on a particular sector or area of economic activity, with some overlap between the groups.
 - Anchor Institutions (including housing associations, education bodies, and local authorities)
 - Health and Social Care
 - Campaigns on the real Living Wage
 - Hospitality and Leisure
 - Large Private Sector Employers

- Small and Medium Enterprises (SMEs)
- Voluntary, Community, and Social Enterprise (VCSE) sector

2.2 These action strands have made their own plans for engaging with their sector or area over the next 3 years, with each strand composed of between 10 and 15 representatives from both the public and private sectors and trade unions. Three of the strands are targeted at private sector employers in the region: Hospitality and Leisure, Large Private Sector Employers, and Small and Medium Enterprises (SMEs).

2.3 A steering group oversees the work and meets every 2 months, chaired by Lou Cordwell with attendance from the Mayor.

Activity

2.4 The annual Living Wage Week took place between the 15th-21st November 2021, with events throughout the week to formally launch the campaign, raise awareness of the RLW and celebrating the achievements of accredited employers.

2.5 On Monday 15th November Greater Manchester became the first Living Wage City-Region officially recognised by the Living Wage Foundation, with a launch event at the People's History Museum in which the Foundation also announced Bury Council as an accredited RLW Employer. A panel event on the business benefits to paying the RLW took place on the Wednesday, run in conjunction with Pro Manchester, supplemented by VCSE, third sector, and civil society facing events on the Tuesday, Friday, and Saturday respectively.

2.6 For the remainder of the campaign, each strand will deliver its own action plan, as outlined above. Although each strand plan responds to their own specific challenges, there are common themes and actions that cut across strands such as producing and disseminating case studies, hosting and attending awareness events, and promoting the RLW to their own networks at industry events.

2.7 Running parallel to these efforts to raise awareness among the business community is an internal workstream with the GMCA and local authorities on embedding the RLW and the Good Employment Charter as criteria within public sector procurement and commissioning as a practical way to affect change and ensure that public funds can facilitate payment of the RLW.

Targets

2.8 There are two main measures we will use for payment of the RLW; the proportion of jobs that pay the RLW, and the number of organisations who are accredited with the Living Wage Foundation. Priority is given to the former.

2.8.1 Proportion of Jobs: 80.9% of jobs pay at or above the RLW across Greater Manchester as of 2021 according to data from the Office for National Statistics (ONS). This is not consistent across the city region as Manchester and Salford have a comparatively high level of jobs above the RLW. However, this does not necessarily apply to the residents of those boroughs, just the jobs that are based there and is evidence of the city centre effect.

2.8.2 The headline target is that by November 2024, 88% of jobs in Greater Manchester will pay at least the RLW.

2.8.3 Living Wage Foundation Targets: As of the launch of the campaign, the number of employers based in GM who are accredited with the Foundation was 384, covering 93,556 employees. As a result of employers accrediting with the Foundation, 11,666 have been uplifted into RLW jobs having previously earned below that level.

2.8.4 The Foundation specific targets are as follows:

- Aim to increase the number of accredited Living Wage employers whose main base is within Greater Manchester to 650 by November 2024.
- Boost the number of workers working for an accredited Living Wage Employer to 175,000.
- And by November 2024, the number of people employed or contracted by accredited Living Wage employers whose earnings are lifted above the real Living Wage will have increased to 18,000.

3. PROGRESS SO FAR

3.1 Data on the proportion of jobs in Greater Manchester that pay at or above the RLW will be published annually and the Living Wage Foundation provide updates on the number of accredited employers and employees covered every quarter.

3.2 Other supplementary metrics to assess progress include measures from the activity of the GM Good Employment Charter such as the number of supporters and members and measures on pay and quality of work, including the gender pay gap and the proportion of 'insecure' jobs across Greater Manchester.

3.3 The progress of the campaign as of January 2022 against the Living Wage Foundation specific targets are included in the table and graph below.

DATA	BASELINE	TARGET	PREVIOUS	CURRENT
Number of accredited LW employers based in GM	302 (Mar 21)	650 (May 24)	384 (Nov 21)	422 (Jan 22)
Number of employees working for accredited LW employers based in GM	87,500 (Mar 21)	175,000 (May 24)	93,556 (Nov 21)	111,424 (Jan 22)
Number of people employed or contracted by accredited LW employers whose earnings are lifted above the RLW	9,000 (Mar 21)	30,000 (May 24)	11,666 (Nov 21)	16,094 (Jan 22)

