



WE ARE FAIR EMPLOYERS.

WE ARE NEWHAM.



Becoming a London Living Wage Employer

www.newham.gov.uk



BECOMING A LONDON LIVING WAGE EMPLOYER

Introduction

The London Borough of Newham was accredited as a Living Wage Employer in February 2021 and is proudly working with the Living Wage Foundation to promote the real Living Wage.

Our agenda is to build a Fairer Newham with a game plan for the future where all employers and businesses operating in Newham pay their staff a fair day's wage for a fair day's work.

We want the future of our city as well as our borough to be based on fairness especially in the face of the cost of living crisis.

We want to ensure that local people benefit from increased incomes, empowering them to have more control over their economic futures and improving their employment outcomes. The Living Wage Employer accreditation strongly aligns with the shift towards inclusive economic growth and wider ambitions to have a more collaborative approach to shaping the local economy.

What is the real Living Wage?

The real Living Wage is the only UK wage rate that is based on the actual cost of living, taking into account the cost of housing, food, travel and other essentials. Since the Living Wage campaign began over 20 years ago, there are now over 11,000 Living Wage Employers nationally who have all committed to paying the Living Wage to all of their employees. We have seen, through the movement, that £2billion has gone back into the pockets of low paid workers.

What is the Living Wage rate and when should it be paid?

The current Living Wage rate in London is £11.95 (UK rate being £10.90). The rate is paid by accredited employers, who choose to go beyond the government-mandated minimum wage. The new rates are generally announced in November of each year, during Living Wage Week. Accredited Living Wage Employers are encouraged to implement the new rates as soon as possible, but do have up to six months to implement the changes if needed. All affected employees should receive the new rate by May the following year.

Who does the Living Wage apply to?

The Living Wage applies to all directly employed staff over the age of 18, regardless of the number of hours they work. The Living Wage also affects third party staff who work for two or more hours a week over an eight week consecutive period. This applies to subcontracted staff who provide a service and not goods (stationary suppliers, for example). The Foundation recommends that you communicate your Living Wage commitment to everyone you do business with, and encourage them to consider implementing the Living Wage themselves.

At the point of accreditation, all directly employed staff must already be on Living Wage rates, with a plan in place to ensure any regular third party contracted staff are brought onto the rates in 2-3 years. Contracts paying below the Living Wage are included in the Licence Agreement as 'milestones'. The Foundation will check

in with you periodically to ensure the milestones are on track.

For further information on third party contracted staff, self-employed workers, apprentices and interns please contact the Foundation.

Benefits of being accredited as a Living Wage Employer

As well as being the right thing to do, paying the real Living Wage has been proven to have business benefits.

More than 80% of employers believe that the real Living Wage had enhanced the quality of the work of their staff, while absenteeism had fallen by approximately 25%. Furthermore 93% of Living Wage businesses have said they have benefited since accrediting, with two thirds of employers reporting a significant impact on recruitment and retention within their organisation.

What has paying the Living Wage done for businesses?

Businesses have said it has:

- Improved the reputation of their business
- Increased motivation and retention rates for employees
- Helped differentiate their business from others in their industry
- Improved relations between managers and their staff



What is the accreditation process?

The accreditation process requires a Licence Agreement to be signed between the employer and the Foundation. In order to receive a licence and become accredited please fill in an enquiry form at www.livingwage.org.uk/become-a-living-wage-employer

The Foundation will send you a link to an online licence form and a guide to implementing the Living Wage.

How long does it take to be accredited and how much does it cost?

The timing for accreditation can vary depending on the size of the organisation and the third party contracts you have. Some employers can complete their application form straight away and the Foundation will aim to process your accreditation within ten working days. Others may have a project of work to do to identify which contracts are relevant and when they are due for renewal, which generally affects larger organisations. Large organisations can often be accredited within six months. The cost varies according to the size of your organisation, starting at £60 per year for those with fewer than 10 employees. For full details please contact the Foundation.



Want to know more?

Visit the Foundation's website www.livingwage.org.uk to find out everything you need to know about the rates, who pays the real Living Wage and how to contact them.

@LivingWageUK #LivingWage