



Westway Development Trust London Living Wage

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Section 1: Overview of the Toolkit

Westway Development Trust has recorded the process of achieving accreditation as Living Wage Employer and developed a 'Toolkit' to assist other organisations who want to implement the London Living Wage and/or become accredited.

This Toolkit contains documents which you may find useful in becoming a Living Wage Employer and achieving accreditation. If you are reading a hard copy, electronic versions of these documents can be found at:

<http://westway/londonlivingwage/default.aspx>

You are welcome to copy these documents and modify them for your own use. If you have any feedback on the documents, please let us know by emailing:

hthorpe@westway.org.uk

Overtime these documents will be added to and updated. For the latest version please check our website at:

http://www.westway.org/about_us/whatsnew/news?page=1192807739



Section 2: London Living Wage Policy

This section contains the Westway Development Trust's London Living Wage policy. You may find this policy handy as a starting point, but you will probably need to change the wording to suit your organisation's needs.



London Living Wage Policy

Introduction

The Trust aims to be a Living Wage Employer by ensuring that all staff are paid a living wage with fair employment conditions. The Living Wage, which has been successfully campaigned for by London Citizens, is calculated by the Greater London Authority as the level of pay and terms and conditions that enables a full-time worker to make ends meet for themselves and their family.

A Living Wage Employer ensures that all staff, including subcontracted workers are:

- Paid no less than the Living Wage £7.20 (April 2007).
- Eligible for no less than 20 days paid holiday per year not including bank holidays.
- Eligible for no less than 10 days full sick pay per year, once confirmed in post.
- Allowed free and unfettered access to a trade union.

Due to the high cost of living in the capital, Londoners paid the national minimum wage are kept below the poverty line. It is currently estimated that 400,000 Londoners fall into this poverty working gap. The Trust is committed to ensuring its employees do not fall into the poverty working gap and to this aim the Trust strives to ensure that it meets the criteria of a Living Wage Employer.

The Trust is committed to supporting the Living Wage through requiring contractors, who are engaged by the Trust and used regularly, to meet the Living Wage criteria. The Trust is also committed to raising awareness of the Living Wage with contractors whom the Trust only uses occasionally, as well as tenants and other local organisations. A toolkit for achieving Living Wage accreditation has been developed, see <<APPENDIX 1>>. This framework will be shared with tenants and other local organisations who are interested in becoming a Living Wage Employer.

As well as the ethical reasons for being a Living Wage Employer there are strong business arguments. West London Citizens have statistics which confirm that Living Wage Employers have benefited from the following:

- Improved productivity
- Reduced staff turnover
- Improved staff morale and motivation

The Mayor has stated that the 2012 London Olympics is set to be a Living Wage Games. This places more emphasis on the Trust and other local organisations in the West London area to meet the criteria, to ensure that they remain competitive in the employment market place.

The Olympics will be an extremely high profile event and will raise awareness amongst both workers and employers about the Living Wage. Organisations failing to meet the Living Wage criteria may not only lose prospective employees to Living Wage organisations, but may also experience increased turnover due to their current workforce choosing to leave to work for a Living Wage Employer.



The Aim Of This Policy

The aim of this policy is to ensure the Trust meets the criteria and achieves accreditation as a Living Wage Employer paying a Living Wage to people it employs directly (Trust staff and workers) and indirectly (sub-contractors who regularly work at the Trust). For both ethical and business reasons the Trust wants to gain and retain accreditation as a Living Wage Employer and seeks to achieve this through this policy.

The Trust recognises that some contractors (regularly working for the Trust) may not immediately be able to meet the Living Wage Employer criteria. In this case the Trust will agree a timescale with the contractor for meeting the criteria.

A further aim of this policy is to raise awareness of the Living Wage and provide guidance to contractors, tenants and other local organisations on implementing the Living Wage Employer standards.

Exceptions

The Trust currently operates a Trainee Recreation Assistant Scheme. The National Minimum Wage (£5.65 For 2007) is paid to Trainee posts and provides an opportunity for a school leaver to gain paid work experience.

Terms & Conditions For Trust Employees

The Trust meets and exceeds the Living Wage Employer criteria and currently provides the following terms and conditions to Trust employees:

- A minimum of £7.45 per hour (with the exception of Trainee posts) which is subject to an annual cost of living review.
- Five weeks paid holiday per year in addition to paid bank holidays.
- Once staff are confirmed in post they receive occupational sick pay of four weeks per year.
- Staff are allowed free and unfettered access to a trade union if they wish.
- Discretionary bonus scheme for all employees who are confirmed in post and employed by the Trust from for a full financial year.
- A contributory pension scheme is in operation.
- Free membership to PGFC and free or discounted rates within WSC.

Terms & Conditions For Employers Of Sub-Contractors Regularly Engaged By The Trust

It is essential that contractors meet the Living Wage criteria where the sub-contractor/worker provides a service to the Trust, on site, on a daily or weekly basis. In some job roles we use a contractor to provide a service where we do not employ staff directly. Examples are cleaners and security staff.



Managers responsible for agreeing a new contract or renewing a contract drawn up prior to this policy must ensure that the terms and conditions of the sub-contractor meet the Living Wage Employer criteria (as set out below).

If the terms and conditions are not met and the contractor is not prepared to amend their terms and conditions accordingly, then the contractor must not be engaged.

Please read the sections below for further information on Manager's responsibilities.

Living Wage Terms & Conditions For Sub-Contractors

When appointing sub-contractors the Trust will require the contractor to provide the following minimum terms and conditions:

- Paid no less than a Living Wage £7.20 (April 2007).
- Eligible for no less than 20 days paid holiday per year not including bank holidays.
- Eligible for no less than 10 days full sick pay per year, once confirmed in post.
- Allowed free and unfettered access to a trade union.

Tendering Process For Contractors

When submitting contracts, the Trust will require contractors to minimally cost in Living Wage terms and conditions for their staff. Please ensure that you use a contract with the Living Wage contract clause which must be inserted into contracts with service providers to guarantee Living Wage provision, see Appendix 2, an electronic version can be found on Sharepoint: [Click Here](#)

Renewal Of Existing Contracts

When reviewing contracts and re-appointing contractors, managers must ensure the Living Wage Employer criteria is met. Managers must not automatically renew a contract without checking the criteria is being met.

When renewing contracts the Living Wage contract clause must be inserted into the contract. See Appendix 2 for this clause, an electronic version can be found on Sharepoint: [Click Here](#)

A breach by the contractor (or any sub-contractor to whom the contractor sub-contracts all or part of the provision of the Services) shall constitute a material breach by the contractor entitling the Trust to terminate any contract or agreement immediately and without notice.

Where We Become Aware Of A Current Contractor Not Meeting The Living Wage Employer Criteria

Where a manager becomes aware of a contractor not meeting the Living Wage Employer Criteria, as agreed in their contract, the manager must write to the contractor informing them that they are in breach of their contract. If the criteria is not met, the Trust will request that the contract be re-tendered. For a contract to be awarded, the contractor must confirm they meet the criteria.

If terminating the contract forthwith disadvantages the Trust it may be possible for this situation to be properly addressed by setting a timeframe for the contractor to comply with the terms and



conditions of the Living Wage. In such circumstances managers must inform the HR Director immediately and agree a plan and timeframe.

Funded Posts

When submitting funding bids, managers must ensure that, as a minimum, the salary is set at the current London Living Wage.

Setting & Applying The Living Wage Employer Criteria

The London Living Wage is set annually by the Greater London Authority (GLA) and the contract requires contractors to increase the amount they pay employees by the same amount as any increase to the Living Wage, within 12 months of the date on which any increase in the Living Wage is announced by the GLA.

The contract states that if the contractor sub-contracts all or part of the provision of the services to a sub-contractor, the contractor must ensure that the above terms and conditions are applied to all employees who are employed by the sub-contractor to perform the Services (or part of them).

As a manager, it is your responsibility to ensure that contractors or sub-contractor meet and provide the Living Wage Employer Criteria for employees who are regularly contracted to the Trust.

Raising Awareness

The Trust is committed to raising awareness of the Living Wage. In agreeing contracts, the Trust will make all contractors aware of the Living Wage by providing a London Citizens leaflet which clearly sets out the terms. The leaflet will be accompanied by a covering letter from the Trust explaining our commitment to being a Living Wage Employer and our aim to work with contractors who do meet the criteria.

Contractors Occasionally Engaged By The Trust:

In circumstances where it is unrealistic for the Trust to request that a contractor meets the Living Wage criteria e.g. where we use the contractor infrequently, the contractor will be asked if they are prepared to disclose whether or not they meet the criteria. Those contractors who do meet the Living Wage criteria and are prepared to disclose this information will be added to the Trust's 'Preferential Contractor List'. The Trust will share details of the 'Preferential Contractor List' with tenants, local organisations, other contractors and London Citizens.

If contractors do not want to disclose whether they meet the criteria, this will not necessarily mean that the contractor will not be used, but may prevent us from entering in to a long-term agreement as they will not be added to the 'Preferential Contractor List'.

Product Providers

Where the Trust has a contract for a product i.e. water for the water machines, the delivery service is a by-product of purchasing the product. Therefore it is unrealistic for the Trust to insist that the product provider meets the Living Wage criteria.



How you can help

As well as ensuring that sub-contractors who work regularly for the Trust receive terms and conditions in line with the Living Wage Employer criteria, staff can raise awareness by explaining to all potential contractors that the Trust is Living Wage Employer and prefers to work with contractors or providers of products who also meet the criteria.

If staff members are Trustees with other London based charities or organisations they can raise awareness of being a Living Wage Employer and suggest consideration is given to meeting the criteria and becoming accredited. Staff can share our 'Preferential Contractor List' with those they come into contact with.

The Trust is willing to provide guidance to organisations wishing to become a Living Wage Employer. If an organisation which a staff members is in contact with is interested in, or would like to find out more information about becoming a Living Wage Employer, please ask them to contact the HR Director or inform the HR Director so contact can be made with the interested organisation.



Section 3: Westway Development Trust's Experience Of Achieving Accreditation As A Living Wage Employer

This section takes you through achieving the work the Trust carried out in becoming a Living Wage Employer and accreditation. This is the detail. If you want something quick and easy to read, go to the next section.



WESTWAY DEVELOPMENT TRUST'S EXPERIENCE OF ACHIEVING ACCREDITATION AS A LIVING WAGE EMPLOYER

October 2007

Introduction

This paper describes how Westway Development Trust achieved accreditation as a Living Wage Employer. If you are an organisation who is considering becoming a Living Wage Employer or you are aiming to achieve accreditation, the information below will give you an idea of the work you may need to carry out. This paper is not a blue print on how to become a Living Wage Employer, but aims to help you think through how you could structure your own process.

1. Getting Buy In

At the top

In April 2007, the Trust agreed with the West London Citizens to work towards achieving accreditation and possibly becoming a beacon organisation. A few years prior to 2007, a decision had been made that the Trust would pay it's own staff the London Living Wage, therefore, there was already commitment at the highest level within the Trust to become a Living Wage Employer.

If you are not the most senior person within your organisation you will need to get their support and buy in for becoming a Living Wage Employer. It is possible that you may upset a few contractors along the way or need to agreement to spend a bit more than budgeted.

Management

You believing that being a Living Wage Employer is important does not mean you can expect your colleagues to feel the same. When discussing this with managers, not all of them instantly understood why the Trust wanted to be a Living Wage Employer. Managers asked why we would want to pay cleaners more than we had to, there were concerns about budgetary implications and how much extra work this would entail for them. However, there were some managers who thought it was a great idea, saw the benefits and were prepared to work around any issues encountered.

You need your reasons and arguments ready, be convincing and if possible try and tie it in to the aims of your organisation e.g. the Trust is a charity that aims to provide services to the community where it is not met by local provision. There is a high level of unemployment and deprivation locally, therefore the Trust tries to recruit local people which helps to lower unemployment and by paying the Living Wage it helps to tackle poverty.

You need managers on side. They may need to talk to contractors, renegotiate contracts or possibly look for new contractors.



2. Ensuring Trust Staff Receive Living Wage T&C's

As mentioned above, the Living Wage terms and conditions were already being met for Trust staff. We do have an exception to this rule, which is the level of pay for Trainee positions (for further information on exceptions, please see the London Living Wage policy - Appendix 1). On an annual basis we review the salary levels of all staff, however, in carrying out this work, we carried out another check just to be certain that all our staff were receiving Living Wage terms and conditions.

Managers are aware that staff must be paid the London Living Wage, but they will need to be reminded regularly. Reinforcement is key to the Living Wage being part of your culture and managers automatically knowing the terms and conditions that staff and contractors must receive as a minimum.

3. Deciding Which Contractors Must Meet The Living Wage T&C's

You need to decide which contractors must meet the Living Wage terms and conditions. When starting this work it was hoped that we could get the majority of Trust contractors to meet the Living Wage terms and conditions - this was unrealistic.

It was decided that for those contractors who provide a service to the Trust, on site and on a daily or weekly basis, must ensure their employees receive Living Wage terms and conditions. We use these contractors to provide a service where we might otherwise employ staff directly e.g. cleaners, security staff, maintenance etc.

For contractors that we use once a month or less, we felt it was unrealistic to insist that they meet the Living Wage terms and conditions e.g. we use a washing machine repairman approx. eight times a year. If we insist that his terms and conditions meet those of the Living Wage, his employer may not want to do business with us. However, this did not stop us contacting the contractors that fell in to this group. It raises awareness and helps us to understand whether contractors are meeting the Living Wage terms and conditions.

We decided that we require franchisees, which operate on Trust premises, to meet the Living Wage terms and conditions for their staff. We decided that it wasn't appropriate to require tenants to meet the Living Wage terms and conditions, but we use franchisees instead of providing the service with our own resources. It is unlikely that we would provide a service in the absence of a tenant, but we would provide the service if we didn't use a franchisee.

Out of the 25 contractors and franchisees used by the Trust, there were 3 contractors who we use regularly and 2 franchises. It was decided that all 5 organisations must meet the Living Wage terms and conditions. The remaining contractors we use occasionally.

4. Dealing With Contractors Not Meeting Living Wage T&C's

Early on in the process we decided how we would manage contractors not meeting the Living Wage terms and conditions. We decided we would take the following course of action:

- Where there was already a contract in place and we had to honour the original terms and conditions, we would ask the contractor if they would be prepared to meet the Living Wage terms and conditions and try to encourage them to do so. When the contract is due to be renewed we would expect the contractor to commit to meeting the Living Wage terms and conditions and failure to do so would result in the Trust finding a new contractor who does meet the terms and conditions.
- Where there was no contract in place and where the Living Wage criteria was not being met we would request the contractor to meet the criteria by January'07, or earlier. If the contractor would not meet the Living Wage Employer terms and conditions we would look for a new contractor who would meet the terms and conditions.

5. Gathering Information

Managers were sent an email Appendix 2 requesting them to provide the following information:

- Names of contractors, how often they provide a service to the Trust and how many staff
- The name of the contractor(s)
- Address of the contractor(s)
- Contact name(s)
- Type of work the contractor provides
- How long the contractor has worked with the Trust
- End date of contract
- Whether the contractor meets the criteria of 'A London Living Wage Employer' (if known)

The information was collated on a spreadsheet Appendix 3, so that we could easily identify which contractors regularly worked for the Trust and therefore must meet the Living Wage terms and conditions. Once all the information was collated the Trust wrote to all contractors (even to those who we used only occasionally).

6. Contacting Contractors

When you contact contractors to find out whether they meet the Living Wage terms and conditions, it is likely to be the first time you make contractors aware that you have decided to become a Living Wage Employer and they may not understand what this is and what it means for them.

We drafted a letter Appendix 4, which was sent to contractors explaining the Living Wage, the Trust's decision to become a Living Wage Employer, the terms and conditions and requested that the contractor provide the relevant information to enable us to assess whether the Living Wage terms and conditions were being met.

To enable the contractors to provide the information quickly and easily we drafted a basic fax response Appendix 5 and enclosed a stamped addressed envelope. It is important to set deadlines.



A week before the cut off date, we telephoned those contractors who had not responded. This enabled us to understand which contractors would respond and identify those who did not want to respond.

Be prepared, not all contractors want to share this information with you. Some of the contractors we contacted made it clear they thought it was totally inappropriate that we requested this information and some refused to provide the information. When talking to contractors, do emphasise that you are not requesting individuals salaries and terms and conditions, but confirmation as to whether the minimum terms and conditions are being met. It wasn't all bad, some contractors understood and supported the need to be a Living Wage Employer and readily provided the information (some even responded on the day they received the letter).

The information we received was recorded on the spreadsheet Appendix 3, this enabled us to keep track of responses and to easily identify who is and who isn't meeting the Living Wage terms and conditions. We allowed 2 weeks for contractors to respond. Approx. half the contractors responded.

7. Using the Information

From the information received, we identified that 1 of the 3 contractors did provide the Living Wage terms and conditions to their staff. The other two didn't meet the terms and conditions (in terms of salary), however on receiving our letter, they contacted us and expressed their concern at not meeting the required level of pay and stated that they would like to work with us to find a way to increase salary levels.

One of the contractors offered to increase the level of pay for staff who work at the Trust. The other contractor provided a breakdown of their costs and explained why they couldn't afford to increase the hourly rate of pay. Their tender for the contract was very competitive so we understood why it wasn't possible for them to increase salary levels and the Trust agreed to pay the difference (approx. 20p per hour for 2 staff working 40 hours per week). As this cost wasn't within budget, we agreed that the increase would be implemented from 1 January; this gave us 3 months to make the necessary adjustments.

One of the franchisees responded to the letter confirming that they did meet the terms and conditions. The other franchisee did not respond. When their contract expires, if they wish to renew, they will have to provide the relevant information and if they are not already doing so, agree to meet the Living Wage terms and conditions. We have made the relevant managers aware of this issue, so that they can assist in negotiations.

The majority of contractors are used by the Trust because we need to buy in a specialist skill that we only require occasionally.

Some of the contractors that we use occasionally did respond to our letter, this was helpful as it confirmed that a specialist skill attracts terms and conditions which are usually in excess of those required of a Living Wage Employer. More significantly to us, the information also highlighted



that our focus needed to be on those contractors who provide a service to the Trust on a daily basis e.g. cleaners and security staff.

These are two groups of workers that the West London Citizens regularly campaign for, to ensure they receive terms and conditions in line with the Living Wage criteria. If you employ cleaning or security staff it is possible that they do not receive Living Wage terms and conditions.

8. Living Wage Policy

Whilst the above work was taking place, the Living Wage Policy was drafted Appendix 1. To get management buy in and embed the policy within the Trust's culture, the policies and procedures must be operationally practical. The policy also needs to be easy to understand so that managers clearly understand their ongoing responsibilities for implementation. Therefore, operational managers were asked to read the policy and provide feedback.

9. Other Points To Bear In Mind

Initially, we planned to become accredited within 2 to 3 months. Having to juggle a number of projects, this was not possible. We achieved accreditation 6 months later. Don't feel rushed. What is important is that you start to make the changes.

We agreed with the West London Citizens that we would document the process and create a policy and toolkit (complete with templates) for other organisations to use. Therefore, a lot of the work took place simultaneously. You might want to start with getting the policy agreed. Because we undertook to do the work quickly, we communicated to managers as we went along with a more formal communication towards the end. You might find it useful to plan your communication strategy in the early stages.

Do use the West London Citizens, they can support you in providing guidance and direction and furnishing you with some facts and figures that may help you to persuade your colleagues of the positive impact being a Living Wage Employer brings to staff and how it can improve productivity.

10. Next Steps

The Trust intends to set up a website which will provide information on the London Living Wage and contain electronic documents which can be used by other organisations who are considering or intend to become a living wage employer.

The website will also contain a preferred supplier page. This will enable other organisations to easily access contact information on contractors who meet the Living Wage Employer terms and conditions.

This document will be added to over time, detailing any with further work that is carried out by the Trust on being a Living Wage Employer. The Trust is currently working on a 'Test' document to assist organisations in assessing which contractors or franchisees must meet the Living Wage terms and conditions.



Beacon Organisation

We agreed with the West London Citizens that the Trust would be a beacon organisation. This means that the Trust will promote the London Living Wage to tenants, local organisations and relevant associations and provide support and guidance to local organisations that want to become a Living Wage Employer.

If you are thinking about becoming a Living Wage Employer, please do contact us if you would like to discuss this further or require some support and guidance on getting started.



- Appendix 1 – Policy
- Appendix 2 – Initial email to managers
- Appendix 3 – Spreadsheet
- Appendix 4 – Letter to contractors from Trust
- Appendix 5 – Fax response



London Living Wage Policy – Appendix 1

Please refer to Section 2 of this pack.



Email to Managers - Appendix 2

Dear All,

A few years ago the Trust became 'A Living Wage Employer' – this means that it recognises the responsibility it has for all the people it employs directly or indirectly and makes sure they are paid a living wage with fair employment conditions. This includes an hourly rate approx. £2 above the national minimum wage, 20 days paid holiday a year plus bank holidays, 10 days full sick pay per year and free and unfettered access to a trade union.

HR has been tasked with assessing whether the Trust is meeting the criteria of 'A Living Wage Employer' and whether in the long-term it can provide guidance to other organisations in West London who want to become a 'Living Wage Employer'.

The Trust can easily assess whether it is 'A Living Wage Employer' in terms of Trust staff and workers, however, we also need to assess whether contractors who regularly work at the Trust are paid the London Living Wage. Therefore, managers need to provide HR with details regarding subcontractors who regularly work at the Trust.

By <<DATE>>, please can you provide the following information:

- Names of contractors, how often they provide a service to the Trust and how many staff
- Address of the contractor(s)
- Contact name(s)
- Type of work the contractor provides
- How long the contractor has worked with the Trust
- End date of contract
- Whether the contractor meets the criteria of 'A London Living Wage Employer' (if known)

If you do not know whether the employer of the subcontractor meets the London living wage criteria, it is important that you provide the rest of the information requested to enable HR to make enquiries.

Thank you for your help, Lisa.

PS Please forward this note to anybody else who you know uses subcontractors and is not copied in on this email.



Spreadsheet - Appendix 3

See separate attachment.



Contractor Letter – Appendix 4

<<Date>>

«Firstname» «Surname»

«Company»

«Address»

«Address2»

«Town»

«Postcode»

Dear «Firstname»

Re: London Living Wage

Due to the high cost of living in the capital, the national minimum wage keeps families below the poverty line. It is currently estimated that 400,000 Londoners fall into this poverty working gap. <<Company Name>> is committed to ensuring its employees do not fall into the poverty working gap and to this aim <<Company Name>> strives to ensure that it meets the criteria.

<<Company Name>> want to achieve 'A Living Wage Employer' accreditation. This means that <<Company Name>> recognises the responsibility it has for all the people it employs directly or indirectly (sub-contractors who work regularly for <<Company Name>>) and makes sure they are paid a living wage with fair employment conditions. A Living Wage Employer ensures that all staff, including subcontracted support staff, are:

- Paid no less than a Living Wage £7.20 (April 2007).
- Eligible for no less than 20 days paid holiday per year not including bank holidays.
- Eligible for no less than 10 days full sick pay per year.
- Allowed free and unfettered access to a trade union.

«Manager» has informed us that you provide individuals that are «Duration» subcontracted to <<Company Name>>. Therefore, as an organisation who provides sub-contractors to <<Company Name>>, I am writing to kindly request if you can let me know whether the terms and conditions of your staff who work on Trust land meet the above criteria. <<Company Name>> understands that this is sensitive data, however to achieve the aim of being a Living Wage Employer, we need to understand where we are meeting the criteria and are aware of any gaps. Any information you provide to us will be treated confidentially.

A form has been attached; please can you complete the form and return by post in the freepost envelope or via fax by <<Date>>. If we do not hear from you within this time, <<Contact Name>> will contact you by telephone.

I appreciate any cooperation you can give us in this matter.



Yours sincerely





<<Address>>
<<Address1>>
<Address2>>
<<PostCode>>
<<Tel.No>>

Fax

To:	From:
Fax:	Company:
Re: London Living Wage	Date:

Please can you ensure that you put your name and company name above

Please complete to following information and fax back to <<Name>> by no later than <<Date>>. Please note all information provided will be treated in the strictest confidence. Please put a ✓ or × in each box

1. Do you have any employees paid less than a Living Wage £7.20 (April 2007).
Please provide information on hourly rates if you are happy to do so:

2. Are your employees eligible for no less than 20 days paid holiday per year not including bank holidays.
Please provide information on holiday entitlements if you are happy to do so:

3. Are your employees eligible for no less than 10 days full sick pay per year.
Please provide information on sick pay if you are happy to do so:

4. Are you employees allowed free and unfettered access to a trade union.

Further information: Please use this section to provide any further information you may think useful:



Section 4: Suggested Process For Becoming A Living Wage Employer

This is for those of you who don't like too much detail. It is a one-page document which briefly suggests a process for becoming a Living Wage Employer.



SUGGESTED PROCESS FOR BECOMING A LIVING WAGE EMPLOYER

Stage 1

- Get agreement from CEO
- Get buy in from management
- Outline scope of work

Stage 2

- Audit own staff's terms and conditions
- If there are any discrepancies create a plan to address

Stage 3

- Create a policy
- Decide which contractors must meet the Living Wage Employer terms and conditions and decide how you will deal with contractors who do not meet the Living Wage Employer terms and conditions – these decisions will inform your policy
- Devise a 'test' to ensure you are assessing contractors consistently

Stage 5

- Gather information from managers on the contractors they use
- Contact the contractors requesting them to provide information so that you can assess whether they are meet the Living Wage terms and conditions

Stage 6

- Analyse the information and identify where contractors are not meeting the Living Wage terms and conditions
- Where contractors are not meeting the Living Wage terms and conditions, create a plan, with clear timescales to address
- Get contractors to sign the London Living Wage clause (please refer to Section 6 – Living Wage Contract Clauses).

Stage 7

- Devise and implement a communication strategy to ensure managers continue to implement the Living Wage Employer policy
- Create and implement a process for continually ensuring contractors meet Living Wage Employer terms and conditions

These stages are just suggestions. You should change the stages to suit your own needs.



Section 5: Tests

Within sections 2 and 3, the documents contain information about the types of contractors who the Westway Development Trust decided must meet the terms and conditions of a Living Wage Employer. This document explains the tests that we applied so that we are consistent in our requirements of contractors.



TESTS

The following 'Tests' briefly explain the criteria we used to assess which contractors and franchisees must comply with the London Living Wage terms and conditions and those where we would prefer them to meet the terms and conditions but realistically require this.

1. Contractors Who Must Meet The London Living Wage Terms & Conditions:

The sub-contractor/worker provides a service to the Trust, on site, on a daily or weekly basis. It is likely that we use the contractor to provide a service where we do not wish to employ staff directly.

Examples are cleaning staff and security staff.

2. Contractors Who Are Not Required To Meet The London Living Wage Terms & Conditions:

The contractor provides a service on site on a monthly basis or less.

Example is washing machine repair person.

The contractor provides a service more often than monthly, but does not carry out the service on Trust land.

Examples is an off-site laundry service.

The contractor provides a product to the Trust and within the contract a representative provides support either on site or off site.

Examples are the water delivery person, software support.

3. Franchisees or Tenants Who Must Meet The London Living Wage Terms & Conditions:

The Franchisee/Tenant provides a service to the Trust's users that the Trust would otherwise provide in the absence of a suitable Franchisee/Tenant.

Examples are a personal training service (within our gym) or catering facility.



4. Franchisees or Tenants Who Are Not Required To Meet The London Living Wage Terms & Conditions:

The Franchisee/Tenant provides a service to the Trust's users that the Trust would not provide in the absence of a suitable Franchisee/Tenant.

Examples are a sport clothing shop or a bar/restaurant.



Section 6: Living Wage Contract Clauses

Once you have negotiated with contractors and they have confirmed that they are willing to meet the terms and conditions of a Living Wage Employer it is advisable to request them to sign a Living Wage Contract Clause.

Within this section there is the Living Wage Contract Clause that West London Citizens have drafted and an amended version that Westway Development Trust used. The version that we used has a few minor changes. We decided that we would give 28 days notice to a contractor who stops complying with the terms and conditions. From an operational perspective we would need at least 28 days to source a new contractor. We also felt that this was a reasonable time period for a contractor to make the necessary changes to their terms and conditions.



LIVING WAGE CONTRACT CLAUSE

This is a clause that West London Citizens provided, overleaf is the amended version which we used.

Below is a model Living Wage contract clause for insertion into contracts with service providers to guarantee Living Wage provision.

- 1.1 It is a condition of this Agreement that, for the duration of this Agreement, the Contractor:
(a) pays all employees who are employed by the Contractor to perform the Services ("the Employees") not less than the London Living Wage as set annually by the Greater London Authority...
(b) for each Employee (other than any Employee who is under a probationary period of 6 months or less), pays the Employee's usual daily wage in respect of the first 10 days in each year when the Employee is unable to work through illness;
(c) allows each Employee to have four weeks' paid holiday per annum, in addition to public holidays; and
(d) allows each Employee fair and unfettered access to a trade union.

1.2 If the Contractor sub-contracts all or part of the provision of the Services to a sub-contractor pursuant to clause [], the Contractor shall procure that the terms contained in 1.1(a) to (d) shall apply to all employees who are employed by the sub-contractor to perform the Services (or part of them).

(This could be inserted into a section on Price, on Delivery or it could form a section of its own.)

(The section that deals with Termination of the contract could include the following sentence:)

"For the avoidance of doubt and without prejudice to any other rights and remedies which the Customer may have, a breach by the Contractor (or any sub-contractor to whom the Contractor sub-contracts all or part of the provision of the Services pursuant to clause []) of clause [Living Wage clause] above shall constitute a material breach by the Contractor entitling the Customer to terminate this Agreement immediately and without notice".

Please note that:

"Citizens Organising Foundation is not responsible for the use or operation of this clause and accepts no liability arising out of such use or operation. Organisations should seek their own legal advice on the meaning and effect of this clause".



Living Wage Agreement

This is the amended version of the Living Wage Contract Clause that we used.

1. It is a condition of this Agreement that, for the duration of this Agreement, <<NAME OF CONTRACTOR>> (the Contractor):
 - (a) Pays all employees who are employed by <<NAME OF CONTRACTOR>> to perform the Services ("the Employees") not less than the London Living Wage as set annually by the Greater London Authority (or, if agreed by London Citizens, the rate of the London Living Wage which was set for the year immediately preceding the date of this Agreement); <<NAME OF CONTRACTOR>> agrees to increase the amount which it pays to the Employees by the same amount as any increase to the Living Wage, within 12 months of the date on which any increase in the Living Wage is announced by the Greater London Authority.
 - (b) For each Employee (other than any Employee who is under a probationary period of 6 months or less), pays the Employee's usual daily wage in respect of the first 10 days in each year when the Employee is unable to work through illness;
 - (c) Allows each Employee to have four weeks' paid holiday per annum, in addition to public holidays; and
 - (d) Allows each Employee fair and unfettered access to a trade union.

2. If <<NAME OF CONTRACTOR>> sub-contracts all or part of the provision of the Services to a sub-contractor, <<NAME OF CONTRACTOR>> shall procure that the terms contained in 1(a) to (d) shall apply to all employees who are employed by the sub-contractor to perform the Services (or part of them).

3. For the avoidance of doubt and without prejudice to any other rights and remedies which the <<NAME OF YOUR ORGANISATION>> may have, a breach by <<NAME OF CONTRACTOR>>, or any sub-contractor to whom the Contractor sub-contracts all or part of the provision of the Services, failing to meet the terms and conditions set out in 1 and 2 shall constitute a material breach and that any such breach not remedied within 28 days notice from the <<NAME OF YOUR ORGANISATION>> to <<NAME OF CONTRACTOR>> will entitle the <<NAME OF YOUR ORGANISATION>> to terminate the Agreement without further notice".

<<NAME OF CONTRACTOR>> has read, understood and accept the terms of this agreement:

Signature: _____ Date: _____

Print Name: _____ Position: _____

Signed on behalf of the <<NAME OF YOUR ORGANISATION>>:

Signature: _____ Date: _____



Print Name: _____ Position: _____



Section 7: Accreditation

If you are hoping to achieve accreditation, do talk to West London Citizens. Whilst we were carrying out this work, we regularly met with Catherine Howarth from West London Citizens to discuss progress, next steps and more importantly any issues that had arisen and proposals on how we should deal with them.

Even if you are not looking to become an accredited Living Wage Employer, but want to implement the terms and conditions for your own staff or for contracted staff, do contact West London Citizens, they will be happy to provide support and guidance.

Catherine's details are:

Catherine.Howarth@londoncitizens.org.uk

www.westlondoncitizens.org.uk

Tel: 020 7043 9877 Fax: 020 7375 2034



Section 8: Preferred Suppliers List

Work in progress - this page will be completed shortly. In the meantime, if you want to know which contractors we use, please do contact us.



Section 9: Contact Details

Westway Development Trust

London Living Wage Contact Details

Lisa Grant	Human Resources Director	lgrant@westway.org	Westway Development Trust	Please contact Lisa Grant if you are interested in becoming a Living Wage Employer.
Haylie Thorpe	Office Manager	hthorpe@westway.org	Westway Development Trust	Please contact Haylie Thorpe if you would like to request a copy of the Living Wage Toolkit.