

# THE LIVING WAGE IN SERVICE PROVISION:

A TOOLKIT FOR SERVICE PROVIDERS LOOKING TO  
ACCREDIT WITH THE LIVING WAGE FOUNDATION  
AND GO FURTHER

Living Wage Foundation, 2024



# FOREWORD

23 years after the Living Wage campaign began in the UK with a meeting in Bethnal Green in East London, **more than 15,000 employers** across the country voluntarily choose to go beyond the government minimum and pay their workers a real Living Wage. This commitment to tackle in-work poverty has resulted in over **£3 billion** going back into the pockets of low paid workers. However, there is more to do as there are still **3.7 million** employees in the UK earning less than the real Living Wage.

In the early years of the Living Wage campaign, there was a focus on cleaners in East London who despite working at some of the richest financial institutions in the world were struggling to keep their heads above the water. They often worked two or more jobs, finding themselves unable to spend time with their families. Cleaning, alongside other work that is regularly outsourced, remains a focus industry for the Living Wage Foundation to this day. **Service Providers have played a key part in the growth of the Living Wage**, with their unique position of working with clients across almost all sectors.

In this sector where competitive bids for client contracts means that wages are cut to offer the lowest price, a **'race to the bottom'** means that essential jobs in cleaning, catering and security are often undervalued and underpaid. Many providers want to do the right thing, but the final decision is not always in their power. We are incredibly grateful to those who have joined the movement and are working tirelessly to **drive up standards** within their industry. By helping clients to understand the benefits of decent pay, not just for their employees but for their business, **these employers are changing the industry for the better.**

This toolkit provides guidance for service providers who are looking to understand how they can best work with the Living Wage Foundation, through accrediting as a **Living Wage Employer** or as a **Recognised Service Provider**. It also clearly makes the case for the Living Wage within the sector, as well as the benefits employers see through joining the movement and outlines some further opportunities to work with us.

**We look forward to working with you on your journey in the Living Wage movement!**



*Katherine Chapman*

*Director,  
Living Wage Foundation*

The logo for the Living Wage Foundation, featuring the text "Living Wage Foundation" in a white serif font. The text is overlaid on a blue circle, which is partially overlapping a green circle and a yellow circle. The word "Living" is on the top line, "Wage" is on the middle line, and "Foundation" is on the bottom line.

Living  
Wage  
Foundation



# FOREWORD

**A fair wage for a day's work** has been our policy and practice for many years now at the Institute of Workplace and Facilities Management, having been a Living Wage Employer for longer than we can remember.

So why does this campaign remain so important for us? Turbulent times used to come and go, now they appear to be the new normal. COVID, war in Europe, energy price hikes, all continue to impact the UK's economy and its people at the same time. In addition, the cost-of-living issue remains at the forefront of public discussion.

Our profession and sector know they make a difference for the people who work, live and stay in the buildings managed by them. And I'm not just talking about the clients and wider users, I'm also, and especially, talking about the frontline workers who make that service provision a reality.

The real Living Wage is a **key tool in our box**, which makes an exponential difference to peoples' lives – for 'our' people it means greater wellbeing, greater financial and social security, and an impact which stretches beyond the individual to the wider family as well. Fair pay allows for greater access to opportunities, providing greater equity for all who benefit. **It's the right thing to do to build a fairer society.**

And it's **good for business too** - better recruitment and retention, improved productivity and service levels, enhanced corporate reputation and social value to name a few. These benefits have long since been proven by academic studies, they are not a mere soundbite.

This toolkit will give you the tools to work with the Living Wage Foundation to break down barriers and underpin the business case for the Living Wage across the sector and its clients, so more people can be paid a fair wage.

**Let's realise the difference we can make, one contract at a time.**




*Linda Hausmanis*

*CEO, IWFM*

**iwfm**  
Institute of Workplace  
and Facilities Management





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The background features a vibrant orange color with several large, overlapping white and light orange geometric shapes. These shapes include triangles, circles, and curved lines, creating a modern, abstract design.

# 1. INTRODUCTION TO THE LIVING WAGE

# WHAT IS THE REAL LIVING WAGE?

The real Living Wage\* is the only UK wage rate that is independently calculated annually, based on the real cost of living. It is **voluntarily paid by more than 15,000 UK businesses** who believe their staff deserve a wage which meets their everyday needs - like the weekly shop, or an unplanned trip to the dentist.

The **Living Wage rates** are updated every Autumn. The calculation is overseen by the Living Wage Commission, an independent body drawn from leading Living Wage Employers, trade unions, civil society and academics. The methodology is based on the **'Minimum Income Standard'**, which is determined by what members of the public think is needed for an acceptable standard of living in the UK.

In 2016, the government introduced a higher minimum wage rate for all staff over 25 years of age inspired by the Living Wage campaign. Currently set below the Living Wage, the government's **National Living Wage** is not calculated according to what employees and their families need to live. Instead, it is based on a target to reach 66% of median earnings, which was achieved with the rise to £11.44 in April 2024, at which time the minimum age was also reduced to 21.

The **Living Wage rates** are higher because they are **independently-calculated based on what people need to get by**. That's why we encourage all employers that can afford to do so to ensure their employees, and any third-party contracted staff, earn a wage that meets the **cost of living**, not just the government minimum.

\*For the purpose of clarity, where the phrase 'Living Wage' is used in the remainder of this toolkit, it refers to the voluntary Living Wage in the UK, set by the Living Wage Foundation, whilst quotes may still refer to the real Living Wage.



# HISTORY OF THE LIVING WAGE CAMPAIGN

The campaign for the Living Wage **was launched in 2001 by Citizens UK**, the home of community organising in the UK. The movement is a unique example of businesses, civil society institutions and citizens joining together around the belief that all workers deserve a wage which allows them to **meet their everyday needs**.

The movement began at a meeting in East London, when Citizens UK brought together churches, synagogues, mosques, schools and other local institutions to talk about the **issues affecting their communities**. One issue came up again and again – low pay.

It became clear that the government's minimum wage was simply not enough. Some people were working two or three minimum wage jobs and still struggling to keep their heads

above water. The gap between the legal minimum and the amount needed for families to live on was having a **big impact on people and their family life**.

Out of this meeting, a powerful movement of faith leaders, trade unions and community organisations came together to call on major employers to pay all staff, including those contracted through a third party, a wage they could live on.

In 2011, the Living Wage Foundation was established to promote the Living Wage and celebrate employers who pay the Living Wage by awarding the **Living Wage Employer** mark. Living Wage Employers pay all their **directly employed and regular third-party contracted staff** the Living Wage. It is a voluntary scheme, providing an ethical benchmark for responsible pay.

In 2014, the **Recognised Service Provider** scheme was set up to commend providers who champion the Living Wage. This allowed employers who are not able to pay all employees the Living Wage due to client decisions to be part of the movement.

In the 20 years since the campaign started, we have seen cross-party support and **over 400,000** people have had their wages uplifted as a direct result of the Living Wage movement. For each of these people, the increase to the Living Wage means the difference between struggling to keep the heating on and being able to afford to put food on the table.

There are now **more than 15,000 accredited Living Wage Employers**, including more than 50% of the FTSE 100 and big household names

including Nationwide, Google, Everton FC, and Lush. Thousands of accredited small-to-medium size enterprises are also part of the network. All accredited Living Wage Employers implement the new Living Wage rates every year. Collectively, these employers have put **more than £3 billion** back into the pockets of low-paid workers.



# THE DIFFERENCE THE LIVING WAGE MAKES TO WORKERS

Earning the Living Wage, as opposed to the government's minimum, makes a huge difference to workers in all sectors. They have told us the difference it makes to their productivity at work, mental health, relationships with family and more.

"It's the difference between existing and **having a life...** previously I was working but couldn't afford heating in my flat."

- Cleaner

"It helps me and my family in the current cost of living crisis. It's the **difference between just getting by and flourishing.**"

- Employee, **Adept Corporate Services**

"I receive good pay for my age – they don't discriminate because I'm younger."

- Employee, **Capital Cleaning Service**

"The real Living Wage gives people like myself an **opportunity to better provide for our families** and plan for the future."

- Employee, **Adept Corporate Services**

"Earning the Living Wage means I can **spend more time with my daughter** doing the things together we enjoy. **I can be the dad I want to be.**"

- Cleaner

"It's a complete change: I can earn more and work less; I can **spend time with my family**, and I can be **paid fairly**. It's a big change; I'm **happy.**"

- Employee, **Clean for Good**

## 1. Introduction to the Living Wage

"A living wage makes me feel more **motivated and valued.**"

- Employee, **Adept Corporate Services**

"It feels great to work for a company where you feel valued and respected for your work ethic and experience"

- Employee, **Capital Cleaning Service**



## 1. Introduction to the Living Wage

# THE DIFFERENCE THE LIVING WAGE MAKES TO LIVING WAGE EMPLOYERS

The last survey of our network of Living Wage Employers also pointed to several business benefits of the accreditation. Please note that these figures apply to those accredited as Living Wage Employers.

**87%** of Living Wage Employers say it improved their reputation

**66%** of Living Wage Employers say it helped them differentiate from others in their industry

More than **1/2** of Living Wage Employers say paying a Living Wage has improved the quality of applications

**62%** of Living Wage Employers say it improved recruitment of employees into their business

More than **1/3** of Living Wage Employers say that the Living Wage has helped them secure contracts and funding

## 1. Introduction to the Living Wage

# THE DIFFERENCE THE LIVING WAGE MAKES TO SERVICE PROVIDERS

These are some of the benefits we have been told about by service providers. You can read more about these benefits in the case studies.

“If you want to deliver a **quality** service, if you want to **retain** your client base and not be constantly fighting for new business, it’s the right thing to do.”

**Alison Offerdal, Capital Cleaning Service**

“In terms of being a Living Wage Employer, what I can tell you is I’ve never worked for a security or cleaning company with such **high retention rates** for staff.”

**Nick Cooper, Adept Corporate Services**

“We don’t have a lot of **staff absence**. We don’t have a lot of **staff turnover**. We are an **employer of choice** and I think the Living Wage has a part to play in that.”

**Andrew Alleway, Tidy Green Clean**

“Being part of this movement shows a **commitment** to ethical business practices and helps to uplift the entire workforce.”

**Dominic Ponniah, Cleanology**

“The **positive repercussions** this [work on the Living Wage] has had for our **business** and our **people** are extremely apparent and I’m committed to building on this approach for the future.”

**Ed Bolton, ISS UK**

“Employees feel **valued** and **fairly compensated**, while the business benefits from a **loyal, motivated, and efficient** workforce.”

**Dominic Ponniah, Cleanology**





## 2. THE LIVING WAGE IN SERVICE PROVISION

# THE LIVING WAGE IN SERVICE PROVISION

### What do we mean by Service Provision?

The Living Wage Foundation classifies service provision jobs as jobs where a service is outsourced to contracted workers. We focus on **cleaning, security** and **catering**, as well as **facilities management** companies who combine these services, but this is not a finite list. Most employers rely on outsourcing for elements of their work, yet these roles remain among the lowest paid occupations in the UK.

### The Living Wage in Cleaning

The cleaning, hygiene and waste sector as of March 2024 contributes almost **£59.8 billion** to the UK economy, making it one of the ten biggest sectors. According to the British Cleaning Council, including occupations involved in cleaning across other industries such as public services and hospitality, the total

number of people employed in the industry is now **1.47 million**, approximately **5% of the overall UK workforce**<sup>1</sup>.

According to the 2023 ASHE report, among the largest proportion of these, those in 'Elementary Cleaning Occupations', with more than 600,000 employees falling into this occupation, is the second lowest paying occupation, with a median wage of only **£10.94/hr**, and more than a third of employees paid below the Living Wage. The next level of role, 'Cleaning and Housekeeping Managers and Supervisors', had a higher median wage, but still saw **more than a quarter of employees paid below the Living Wage**.<sup>2</sup>

### The Living Wage in Security

Whilst there are fewer workers employed within the security industry,

this is still a huge part of the workforce, with BSIA (British Security Industry Association) research in 2022 concluding that the number of security officers in the UK needed to grow from a little under 400,000, to **450,000** to keep up with the growing demand.<sup>3</sup>

The number of security roles paid below the Living Wage has been decreasing in recent years, but the 2023 ASHE report showed that among those in 'Elementary security occupations' the median pay is **£11.89/hr**, and there were still an estimated **72,000 roles below the Living Wage**.<sup>4</sup>

### The Living Wage in Catering

Because of the crossover with the Hospitality industry, it is much more difficult to find robust data for the catering industry in the UK. However,

through working with many Living Wage Employers to uplift their outsourced staff onto the Living Wage, we know that catering is frequently an area where employees were previously earning below.

During the pandemic much was made of support for key workers who continued to travel for work each day to keep people safe. This included cleaning staff, particularly in healthcare settings, but also those working on public transport, office buildings and other spaces, as well as security staff who continued to keep us safe and catering staff who continued to keep us fed. However, **this has yet to lead to a meaningful change in pay for these roles which are often forgotten.**

# WHY PAY THE LIVING WAGE IN SERVICE PROVISION

There is a particularly strong argument for paying the Living Wage in Service Provision as businesses adapt to the changing climate.

### Recruitment & Retention challenges

In the IWFMs latest survey of Facilities Management organisations, when asked to highlight factors that had had a negative impact on the FM market in the last year, 67% mentioned **Brexit** 65% cited the **availability of skilled workers**, and 64% pointed to **access to EU workers**.<sup>5</sup>

According to the British Cleaning Council's report from March 2024, recruitment is a major issue, pointing out that **"the industry continues to struggle to replace staff who have left the sector in the wake of the pandemic and Brexit, with other staff having moved to new roles."**<sup>6</sup> The report describes record vacancies, at one point as many as **1.3 million**, well

above pre-pandemic figures which never reached one million.

The security industry has faced similar challenges, with a Security Industry Authority report from November 2022 highlighting the number of active security guard licenses decreasing significantly between 2012 and 2022, with security companies **struggling to recruit and retain security guards**,<sup>7</sup> with an increase in pay cited by those who had left the industry for alternative employment during the pandemic, as well as being a potential solution offered for resolving issues with recruitment and retention.

### Increased awareness

There is also greater awareness around the importance of these jobs. The British Cleaning Council stated: "During the Covid-19 pandemic, there was increased recognition of the important role of cleaning and hygiene

staff in keeping people safe, healthy and well, with sector staff even being thanked in Parliament. **There is also evidence that, in the wake of the pandemic, the public are reassured by seeing cleaning staff at work in public spaces.** These developments provide a platform for the drive to ensure wider recognition."<sup>8</sup>

In security, the government's Protect Duty consultation, launched in the wake of the Manchester Arena bombing in 2017, **"creates a legal requirement for organisations to provide proportionate security measures"**<sup>9</sup>, which has contributed to the need for more roles in the sector.

### How the Living Wage can help

The Living Wage as part of a package of benefits can help to address this. The IWFMs report "The Living Wage: Why pay it and what does it mean for our profession?"<sup>10</sup> highlighted the

benefits that were seen in partnerships between KPMG and ISS and Sodexo and Santander when contracts were on the Living Wage.

Both pointed to **reduced staff turnover** since the introduction of the Living Wage, whilst the KPMG and ISS case study showed that **"savings made through lower recruitment churn, reduced absenteeism and better performance mean that paying the real Living Wage will be cost-neutral or even lead to savings."**<sup>11</sup>

Other benefits that were quoted in the two case studies included:

- Better performance and motivation
- Improvements in service quality
- Improved customer service
- Partnership development

The full KPMG and ISS case study can be found on the **Living Wage Foundation website**.

# WHY PAY THE LIVING WAGE IN SERVICE PROVISION

### Low pay is a gender issue

**15.4%** of jobs held by women are being paid below the Living Wage, compared to **10.4%** of those held by men.

This issue is exacerbated by low pay within the cleaning sector. 2022's British Cleaning Council Research Report<sup>12</sup> showed that in 2020 the overall gender split for the industry was quite even, but in the sector classed as 'Cleaning Activities', **female workers outnumbered male workers by a ratio of more than 2:1**. This sector was also both the largest and the one with the lowest average hourly pay, meaning women within the industry are much more likely to be on low pay.

Additionally, when looking at occupational profile by gender, despite the even split overall, male workers were significantly more likely

to be employed in 'Professional Occupations' (83%) and 'Skilled Trades Occupations' (81%), whilst female workers were most over-represented in 'Administrative, Clerical and Secretarial Occupations' (80%) and 'Elementary Occupations' (63%).<sup>13</sup>

### Low pay is a race issue

**16% of white workers** earn below the Living Wage, compared with **19% of workers from a racialised community**, with nearly all racialised groups more likely to be earning below the Living Wage.

Again these issues are shown when looking at which sectors UK born workers are employed in against those born overseas. The percentage of workers born overseas in the lowest paid sector, 'Cleaning Activities', was **29%**, significantly higher than the overall figure of 17% for the industry overall, and in stark contrast to the

highest paid sector in the industry, 'Waste and Resource Management', where the figure was just 8%.<sup>14</sup>

### How the Living Wage can help

Whilst there is work going on to address this, including the focus of responsible businesses on their gender and ethnicity pay gap reporting. **A Living Wage Foundation report** in 2022 concluded that **"paying the real Living Wage makes an important contribution to uplifting the wages of low paid workers and that this significantly benefits minority ethnic workers, who are over-represented in low paid roles."**<sup>15</sup>

Living Wage accreditation is particularly important when thinking about outsourced workers, as those employed through third-parties are not included in this reporting, and are instead reported by their direct employer, the service provider.

Because we know that women and workers from racialised communities are over-represented in this work, there is an argument therefore that those who outsource work on low pay are effectively **outsourcing their inequality**.

Because Living Wage accreditation applies to directly employed staff and those employed through third-party contracts, increases to the number of employers paying the Living Wage will cover those more likely to be in lower paid roles such as cleaning and security as well as directly employed staff, many of whom are salaried above the Living Wage prior to accreditation.



# SERVICE PROVIDERS IN THE MOVEMENT

### Living Wage Employers in Service Provision

At the time of writing, there are **225 cleaning companies** and **159 security companies** who are accredited as Living Wage Employers. The combined accreditations of these employers uplifted more than **8,000 workers** onto the real Living Wage. They have committed to paying all their employees the Living Wage.

### Recognised Service Providers

We understand that the climate of the sector means that this is not possible for everybody. Acknowledging the difficulties in the sector, and the fact that all contracts must be agreed with clients, the Living Wage Foundation set up the **Recognised Service Provider** scheme in 2014. This allows providers who due to client challenges can't guarantee all employees the

Living Wage to champion the Living Wage one contract at a time, uplifting their own employees on to the Living Wage wherever possible as well as spreading the word about the Living Wage with every contract that they bid for.

Upon publishing, there are **190 Recognised Service Providers**, including many of the biggest names within the Cleaning, Security, Catering and Facilities Management sectors, working with the Living Wage Foundation to increase the number of their contracts that are paid the Living Wage over time. At the time of writing, **more than 250,000 employees** delivering services for our Recognised Service Provider network are paid the Living Wage.



# SOCIAL VALUE & WIDER SUSTAINABILITY OUTCOMES

Accreditation with the Living Wage Foundation can form a key part of an organisation's Responsible Business strategy; either as part of their ESG or sustainability considerations or as a part of their added Social Value in contracts with clients. This slide provides some examples of how your accreditation can impact your business' chosen social commitments. We are still working to understand how this can be maximised, so if you would like to speak to us further about this work please do get in touch through your contact at the Living Wage Foundation.

### Good for Communities and Local Economies

Paying the Living Wage is **good for communities and local economies**. As low-income households, on average, spend a higher proportion of their wages locally, when an organisation commits to guaranteeing the Living Wage, this increase in income has an **exponentially positive impact on local economies**.

This is further demonstrated by the Living Wage Foundation's **'Multiplier Research'**<sup>16</sup> which shows that if 25% of low-paid workers were moved onto the Living Wage, there would be a **£1.7bn boost to the UK economy**.

Therefore, as some contracts within particular sectors require an element of Social Value looking to tackle local unemployment, paying a Living Wage can tie in perfectly with this objective.

### Equity, Diversity and Inclusion

Paying the Living Wage can form a key part of a business's Equity, Diversity and Inclusion strategy. As the Living Wage Foundation research **'A Living Wage Matters'**<sup>17</sup> and **'Employee jobs paid below the Living Wage'**<sup>18</sup> demonstrates, women and people from ethnic minority backgrounds are more likely to be in jobs paying below the Living Wage.

Therefore, guaranteeing a Living Wage can contribute positively to a business' Ethnicity and Gender Pay gap reporting and objectives.

[Find out more in our research.](#)



# SOCIAL VALUE & WIDER SUSTAINABILITY OUTCOMES

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### Improving Mental Health and Physical Wellbeing

Better paid jobs improve mental health and physical wellbeing. As highlighted by the Mental Health Foundation and in the Living Wage Foundation's **'Life on Low Pay'**<sup>19</sup> annual research, those earning below the Living Wage **consistently report high levels of anxiety or stress, additional fatigue and negatively impacted relationships with family and friends.**

By guaranteeing a Living Wage, **businesses help to reduce these health challenges** which can also positively impact upon social impact strategies.

### Social Mobility

Better pay can also positively align with Social Mobility strategies. By providing a Living Wage, the number of people having to work multiple jobs to make ends meet can be significantly reduced, allowing for more **upskilling and training** which can enable people to **progress within their careers.**

Not having to work more than one job can also improve the **work-life life balance**, allowing people to spend more time with their families and children. And as multiple research suggests, more time spent with your children can have positive effects on **educational attainment** allowing for further social mobility as well.

[Find out more in our research.](#)

# THE RECOGNISED SERVICE PROVIDER SCHEME

In 2014, the Living Wage Foundation launched a new recognition scheme for service providers, named the **Recognised Service Provider (RSP)** Scheme. The RSP commitments were developed by the Living Wage Foundation in consultation with service providers and KPMG and as of August 2024 there are 190 RSPs using their influence and networks to champion the Living Wage, one contract at a time.

Whilst Living Wage Employers must commit to paying all directly employed staff at the Living Wage rate, the RSP commitments are slightly different. They must pay all directly employed staff who are not tied to client contracts at the Living Wage, and they **must always offer a Living Wage bid alongside every market rate submittal to all current and prospective clients**. RSPs are required

to submit metrics around the percentage of their contracts above the Living Wage each year, and work with the Living Wage Foundation on their plans to increase this figure.

This approach means that the client **always has the choice to implement the Living Wage on their contracts at the point of tender**. This in turn helps to grow the Living Wage Employer network as more companies are made aware of the Living Wage Foundation.

Our network of Recognised Service Providers is smaller than the Living Wage Employer network, but contains several extremely large organisations, including Compass Group and Mitie who are in the FTSE 100 and 250 respectively, and international organisations such as CBRE and JLL who are both in the Fortune 500.

This scale means that our Recognised Service Providers have helped to uplift a huge number of workers onto the Living Wage. Indeed, based on the metrics they have submitted to us, those in our network currently have more than **250,000** employees delivering services on at least the Living Wage.

To assist and guide the Living Wage Foundation with policy decisions within this sector, the **Recognised Service Provider Leadership Group** was formed, comprising senior figures from several leading Recognised Service Providers. The group lends its expertise to the Foundation to better champion the Living Wage within the sector.



**Recognised  
Service Providers**  
*proudly working  
together with the*

**Living  
Wage**  
*Foundation*



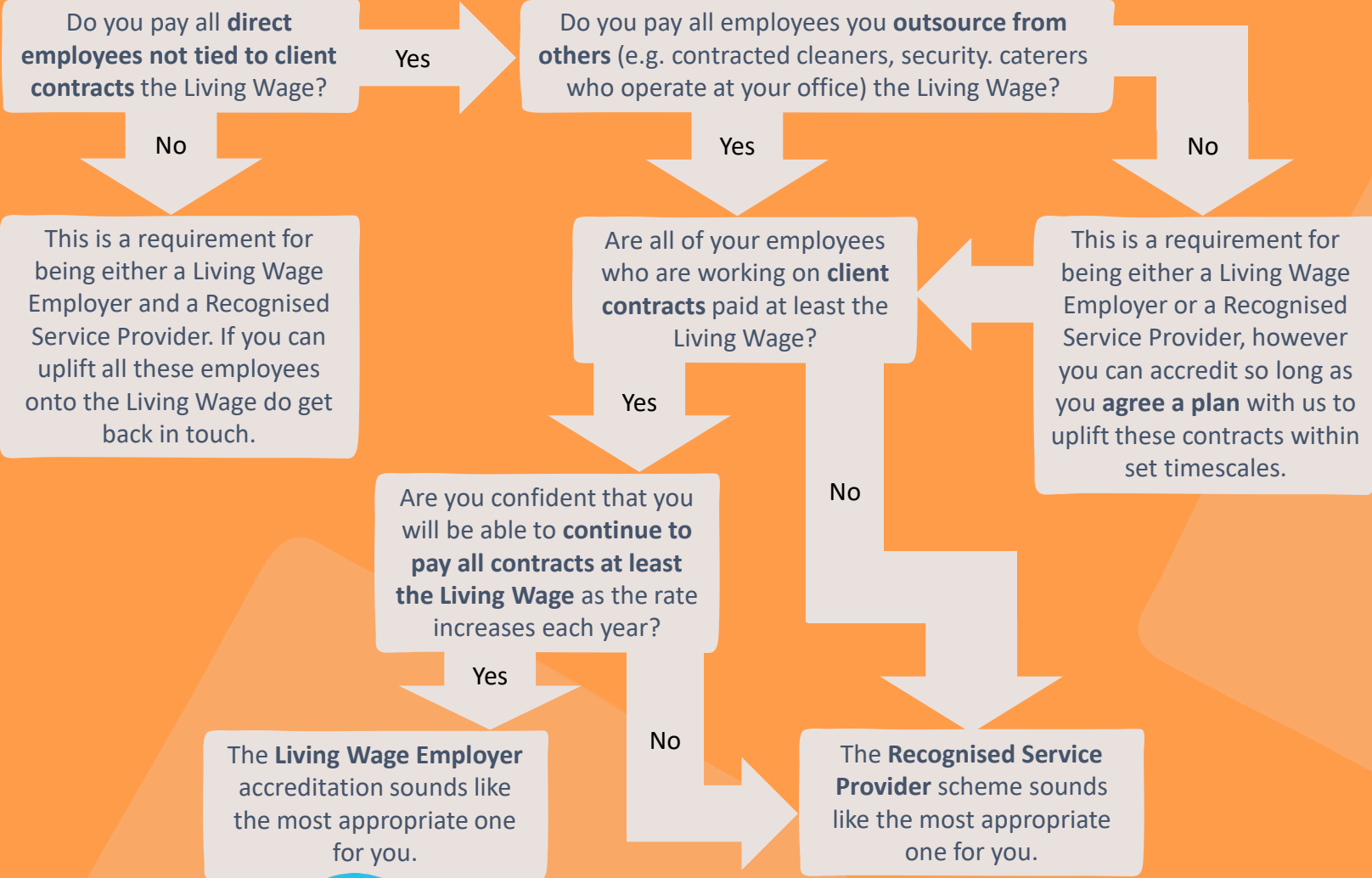
## 3. ACCREDITING WITH THE LIVING WAGE FOUNDATION

### 3. Accrediting with the Living Wage Foundation

## WHICH ACCREDITATION IS RIGHT FOR YOU?

As described, we have two main accreditations that are available to employers in service provision. The **Living Wage Employer** accreditation is available to employers who can guarantee that all their employees, both those working directly and those on client contracts, will be paid the Living Wage. The **Recognised Service Provider** scheme, for employers who pay all their direct employees not tied to client contracts the Living Wage, and promote the Living Wage in every client bid that they make.

This flow chart will help you to understand what option would be right for your organisation, but we would also encourage you to reach out to the Living Wage Foundation to talk it through.



## ACCREDITING AS A LIVING WAGE EMPLOYER

Some employers choose to pursue **Living Wage Employer** accreditation, guaranteeing all their employees, both in their core team and on client contracts, as well as any third-party employees they employ, at least the Living Wage.

The Living Wage Foundation will help you through the process, but the steps towards accreditation are:



### STEP 1

Ensure all **directly employed staff** are paid the Living Wage.

All staff **over the age of 18** are in scope, excluding apprentices.

There is an **hourly rate for the UK** and a higher **hourly rate for London** to account for the higher cost of living.

See the [Living Wage Foundation website](#) for the current rates.

### STEP 2

Have a plan to pay all third-party contracted staff who you use the Living Wage:

- Identify all **third-party contracts** where staff are frequently providing a service: 2+ hours a week for 8+ consecutive weeks.
  - Find out if the Living Wage is paid on these contracts.
- Have a **plan in place** to move contacts to the Living Wage at the first legal opportunity, usually within 3 years (each of these contracts will be included as a milestone in your licence agreement).
- Build the Living Wage into all **future contractual agreements** and into third-party communications

## 3. Accrediting with the Living Wage Foundation

### STEP 3

Submit your signed licence agreement form **online** including any milestones.

### STEP 4

Make sure the whole team is aware that any client contracts now must be agreed to **ensure employees are paid at least the Living Wage**.

### STEP 5

**Accredit as a Living Wage Employer!**

Make sure to celebrate your accreditation internally and on social media!

### STEP 6

Each year between November and May, **uplift all staff to the new Living Wage rates** and ensure the uplift has been implemented across all client contracts as well as any third-party staff.



### 3. Accrediting with the Living Wage Foundation

## CASE STUDY: CLEAN FOR GOOD

Founded in 2017 with the Living Wage at its heart, **Clean for Good** is a business with a social purpose.

Clean for Good's aim is to deliver a great service to customers as well as to provide **good, fairly paid and dignified jobs** for cleaners. The company's long-term mission is to promote change across the cleaning sector, **working towards the day when every cleaner is paid the Living Wage** and is treated with respect at work.

Some of the **benefits** for them of being a Living Wage Employer include:

- They are able to communicate some of their core values to potential customers very quickly and succinctly. The Living Wage 'badge' features prominently on their website and in all marketing material.
- They can differentiate themselves

from others in the cleaning industry, offering an ethical choice for those requiring cleaning services.

- They have been able to recruit and retain staff more easily than other cleaning companies.

By placing the Living Wage at the centre of everything they do, Clean for Good not only offer their cleaners more **respect** and **dignity** at work, they also offer customers the assurance that the individuals cleaning their offices and workspaces aren't living in poverty. As the growth of the business demonstrates, there is a clear appetite from those buying cleaning services for a provider **doing the right thing** by their workers.

To view the full case study, please visit the [Living Wage Foundation website](#).



*“Our vision is to transform the cleaning sector for good, so there is a long way to go, but the last 7 years has proved it is possible!”*

Charlie Walker,  
Managing Director,  
Clean for Good



## ACCREDITING AS A RECOGNISED SERVICE PROVIDER

For other employers, the **Recognised Service Provider** scheme is more appropriate. This way they are ensuring that all clients have the option of implementing the Living Wage at the point of tender.

Again, the Living Wage Foundation team will help you through the process, but the steps towards accreditation are:



### STEP 1

Ensure all **directly employed staff, not tied to client contracts** are paid the Living Wage.

All staff **over the age of 18** are in scope, excluding apprentices.

There is an **hourly rate for the UK** and a higher **hourly rate for London** to account for the higher cost of living.

See the [Living Wage Foundation website](#) for the current rates.

### STEP 2

Have a plan to pay all **third-party contracted staff not tied to client contracts** the Living Wage. Whilst many providers won't employ other organisations to deliver these services, if they do it is important to ensure these employees are covered. The full process for third party employees can be found in the process for Living Wage Employers.

### STEP 3

Have a plan to communicate to everybody in the organisation involved with client bids, that a Living Wage bid **must be made with every single submittal to current and prospective clients**, alongside a market rate bid if necessary.

## 3. Accrediting with the Living Wage Foundation

### STEP 4

**Register your interest online** with the Living Wage Foundation who will confirm that this is the correct accreditation and send you a **licence agreement form**.

### STEP 5

Submit your licence agreement form and accredit as a **Recognised Service Provider!**

Make sure to celebrate internally and on social media!

### STEP 6

Each year between November and May, **uplift all staff not tied to client contracts and all Living Wage contracts to the new Living Wage rates**, and ensure the uplift has been implemented across any third-party staff. Make sure also to update costs on bids to clients to reflect the new rate.

### STEP 7

Make sure to plan in time to **regularly remind** commercial teams of the process and that they are required to submit a bid at the Living Wage on **every tender**.

### STEP 8

Submit your **annual metrics** to the Living Wage Foundation when requested every June. This will allow the us to see your progress as well as the impact of the scheme overall.



### 3. Accrediting with the Living Wage Foundation

## MOVING FROM RSP TO LIVING WAGE EMPLOYER

In some circumstances, when a Recognised Service Provider has been able to move all of their contracts onto the Living Wage, they have been able to accredit as a **Living Wage Employer**.

Several Recognised Service Providers have converted their accreditation to being a full Living Wage Employer, including **Tatry Group, RAMS Services, Chamberlaine Cleaning Services, Greenzest, ThinkFM, Edinburgh Commercial Cleaning Ltd** and most recently **Capital Cleaning Service**.

We would encourage an RSP to move to being a Living Wage Employer if they are confident they will be able to maintain **100% of their contracts on the Living Wage**.



## CASE STUDY: CAPITAL CLEANING SERVICE

Capital Cleaning Service first accredited as a Recognised Service Provider, however in 2024 were able to become a Living Wage Employer. Their Managing Director Moreland told us: *“We were looking to build the business just as Covid-19 struck. But I felt something was missing in the business. I felt that when we were going for public tenders, it was a race to the bottom. There was nothing differentiating us from anyone else.*

*Then I realised, we’re paying people the lowest we can. I began to understand why someone would say that they didn’t want to do this job. So I started asking questions about the real Living Wage.*

*In July or August last year we made a decision; we still had some contracts that weren’t in line with our values and we told them we’re moving to a real Living Wage.”*

Accounts and Operations Co-Ordinator Alison added: *“In the industry you can be replacing people every other day, and my previous experiencing was that. But we have long-standing staff. People have been with us from one to ten years and are really happy.*

*If you want to deliver a quality service, if you want to retain your client base and not be constantly fighting for new business, it’s the right thing to do.*

*We recognise that this business is about people, and it’s about the people who work for us. So you want to have the best people in place with the right skill sets. You’re not going to get that unless you’re willing to keep them motivated and allow them to live.”*

To view the full case study, please visit the **[Living Wage Foundation website](#)**.





# FREQUENTLY ASKED QUESTIONS

## One Bid Submissions

**What should an RSP do when they can only submit one bid on certain contracts?**

One of the conditions for being a Recognised Service Provider (RSP) is that they should submit a **Living Wage costed bid** alongside every market rate submittal to all prospective and current clients. However, we know that there are some circumstances, particularly in the public sector, where RSPs are only permitted to submit one bid.

In such circumstances, we would ask the RSP to refer to the Living Wage at the **first available opportunity**, potentially in the executive summary or introduction of the bid. If this is also not possible, we would expect the RSP to attempt to renegotiate on the LW at the first available opportunity following winning the contract.

Some RSPs choose to only offer a Living Wage costed bid when faced with a request for only one bid. This would be our optimal position.

## Subsidiaries

**Does an organisation's accreditation cover its subsidiaries?**

An organisation's accreditation covers all its **subsidiaries**, so they must all be fully compliant.

However, a subsidiary becomes recognised on its own without other parts of the organisation being compliant provided it is a **distinct brand**, and employees and the public would be aware of the difference. A Recognised Service Provider (RSP) can have subsidiaries who are RSPs or Living Wage Employers (LWEs) in their own right, but a LWE cannot have subsidiaries who are RSPs, as this wouldn't comply with the LWE licence agreement.

If subsidiaries are covered by their parent organisation's accreditation, they will not be listed on the website, however the parent organisation can pay an additional fee for them to be recognised separately.

## Merging or Acquiring Organisations

**When an organisation merges with or acquires an unaccredited organisation, when must contracts be uplifted?**

When organisations merge, the newly created overall structure must adopt the model of the accreditation they wish to keep (either Living Wage Employer (LWE) or Recognised Service Provider (RSP)).

If the organisation is a LWE, any new **milestones** should be listed **as soon as possible**, ideally within one month. If it is an RSP, **new metrics** should be submitted reflecting the new structure in the same timescale. If the group does not wish to comply with the licence, the accreditation would be closed.

# FREQUENTLY ASKED QUESTIONS

## TUPE

**What should an employer do when taking on new work where TUPE is involved?**

When new contracts are won, we understand that TUPE means taking over employees' employment contracts on the terms and conditions that they had previously agreed with their old employer.

For a Living Wage Employer (LWE), we would require that these **employees are uplifted onto at least the Living Wage**. Our guidance is that any employees paid below the Living Wage before the transfer should be consulted about these changes in writing, given the opportunity to respond, and then brought up to the Living Wage rate **within 8 weeks of the transfer**.

For a Recognised Service Provider (RSP), we would have expected a **Living Wage bid to have been made for the contract**, and if that was agreed, we would expect any new employees to be uplifted following the same process described above. Whether at the Living Wage or not, the contract would be **included in the metrics** next time the employer reports these back to the Living Wage Foundation.

## Property and Facilities Management

**Where do employers who procure work on behalf of their clients sit with regards to the Living Wage?**

In some circumstances we aware that an organisation pays all their direct employees the Living Wage and pays any third-parties working carrying out work for them directly the Living Wage, but also **procure suppliers on behalf of their clients** to carry out work.

If the employer can **guarantee that all the work procured is paid at least the Living Wage**, then so long as they meet all other requirements to be a Living Wage Employer (LWE), they can accredit as a LWE.

If some of the work procured falls below the Living Wage, then the employer cannot accredit as a LWE but can potentially become a Recognised Service Provider (RSP). Again, they must ensure they meet all other requirements, and they must also show that they have **some influence over the pay rate agreed** and be able to report these metrics annually.

We recognise that in some circumstances the final contract is agreed between the client and the supplier, and the employer is not directly involved in this contract. However, we maintain that in these circumstances the LWE accreditation is not appropriate, as services being delivered on premises managed by the employer will be paid below the Living Wage.

The background features a vibrant orange color with several large, overlapping white and light orange geometric shapes. These shapes include a large white triangle pointing downwards, a light orange circle, and several white curved lines and bands that create a dynamic, abstract composition.

## 4. GOING FURTHER WITH THE LIVING WAGE FOUNDATION

## 4. Going further with the Living Wage Foundation

# I'M ACCREDITED...WHAT NEXT?

### Maximise your internal communications

We've got tons of resources, templates and digital assets to help you communicate your commitment to staff and suppliers – this could include events, bulletins, newsletters, intranet updates, blog posts, posters and much more.

**Log in to your [Employer Dashboard](#) to access resources.**

### Maximise your external communications

Your Employer Dashboard has everything you'll need to celebrate your accreditation and champion the Living Wage, including logos, social media materials, and template press releases. You can also discuss opportunities with our Communications team – ask your accreditation relationship manager to connect you.

**Log in to your [Employer Dashboard](#) to access resources.**

### Submit your nomination for our annual Living Wage Champion Awards

Our annual Champion Awards celebrates individuals and organisations who have made an outstanding contribution to the Living Wage movement, across many categories, including one specifically for Recognised Service Providers. Could you be the next winner?

**Visit our [website](#) for more details.**

### Get involved in Living Wage Week

Our annual celebration of the Living Wage movement, Living Wage Week (every November) is the perfect opportunity to promote your accreditation and help champion the Living Wage. Host your own event, come along to ours, increase logo visibility, raise awareness on social media – the possibilities are endless!

**Get more ideas and find out about our events on our [website](#).**

### Celebrate your accreditation anniversary

This is a great opportunity to do some fresh communications activity reflecting on and marking your ongoing commitment to the Living Wage movement. You'll be sent an Anniversary Digital Pack each year which you can also access any time in your Employer Dashboard on our website

**Log in to your [Employer Dashboard](#) to access resources.**

### Look into some of the Living Wage Foundation's other programmes

The next few pages will detail some of the other programmes that the Living Wage Foundation has launched to help grow the Living Wage movement in the UK and internationally, and to offer further support to workers beyond the Living Wage.

## 4. Going further with the Living Wage Foundation

# OTHER LIVING WAGE FOUNDATION PROGRAMMES

### Living Wage Places

Living Wage Places are place-based approaches to expanding Living Wage accreditation in localities.

**Dundee** launched as the first Living Wage City in 2019, and there are now 19 Living Wage Places across the country, ranging in size from **Greater London** and **Greater Manchester** through to the **Royal Docks** area in Newham.

For a Living Wage Place to gain recognition, the local authority must work with the LWF and Citizens UK to create a **cross-sectoral action group** and **action plan**. There is more information on Living Wage Places on page 30.

The largest Living Wage Place is London, where the **Making London a Living Wage City** campaign, in collaboration with Trust for London, is aiming to put £635m back into the pockets of low-paid workers.

This campaign includes an Action Strand that focuses on Service Provision. There is an Action Plan through to September 2025 which aims to increase the number of Living Wage Employers and Recognised Service Providers in London. More information on this can be found on page 32.

### Living Hours

Living Hours is a standard that was launched in 2019 to help tackle the issue of **insecure work**. Even with a Living Wage, we know millions of low paid workers are struggling to get the hours that they need to make ends meet.

Living Hours calls for employers to provide **decent notice of shifts**, a **contract that accurately reflects the hours worked**, and a **minimum of 16 hours work a week**, unless the employee requests otherwise.

More information and a case study on page 31.

### Living Pension

The Living Pension was launched in 2023, building on the Living Wage to provide **stability and security for workers now and in the future**. It is a voluntary savings target for employers, independently calculated, to help workers build up a pension pot that will **provide income to meet basic everyday needs in retirement**.

Like Living Hours, the Living Pension is currently only open to Living Wage Employers, but we are running a pilot to explore how it can work for Recognised Service Providers.

If you are a Living Wage Employer or Recognised Service Provider interested in hearing more, please speak with your contact at the Living Wage Foundation.

### Global Living Wage

In 2023 the **Global Living Wage Affiliate Network** was launched in recognition that in our interconnected world, with complex global supply chains, a co-ordinated international response is needed. Upon launch the inaugural member was **Living Wage for US**, who have since been joined in the network by the **Living Wage Movement Aotearoa New Zealand**.

If your business employs people outside of the UK and you would be interested in hearing more, do speak with your contact at the Living Wage Foundation.

## 4. Going further with the Living Wage Foundation

### LIVING WAGE PLACES

Living Wage Places offer a fantastic opportunity for providers to network with other responsible employers in their locality.

Several providers sit on the Service Provision Action Strand for the Making London a Living Wage City project, with others part of local groups, including **Tidy Green Clean**, who chair the Making Aberdeen a Living Wage City group.

There is more information around the current Living Wage Places on the [Living Wage Foundation website](#), and anybody interested in hearing more should reach out to their contact at the Living Wage Foundation.



### CASE STUDY: TIDY GREEN CLEAN

Tidy Green Clean are a commercial cleaning company based in Aberdeen. They became a Recognised Service Provider in 2020. Their founder Andrew Alleway, told us: *“It was really important from a business point of view that we value our staff and paying them as much as we possibly can, and obviously the values of the Living Wage Foundation work really well for us.*

*The Recognised Service Provider accreditation was really the only option that we had because we are reliant on clients that want to pay the real Living Wage versus paying the National Minimum Wage.*

*We don't have a lot of staff absence. We don't have a lot of staff turnover. We are an employer of choice and I think the Living Wage has a part to play in that.”*

*If someone is considering accrediting, I would 100% suggest that they jump on board. I think your staff retention, your staff welfare, your staff commitment, the lack of absenteeism, the productivity, the feeling of being valued - all of these things are hugely beneficial to your organisation.”*

On chairing the Aberdeen Living Wage Place campaign, Andrew told us: *“Taking part in this campaign was a bit of an eye opener I suppose, because you live in your own bubble and your own business all the time. You hear some of the stories about being paid the Living Wage...it's quite an emotional tie as well that, and we want Aberdeen to be the best place to live and work.”*

To view the full case study, please visit the [Living Wage Foundation website](#).





## 4. Going further with the Living Wage Foundation

### LIVING HOURS

Living Hours is another opportunity for Service Providers to explore beyond paying the Living Wage in a sector where insecure work is prominent.

**Adept Corporate Services** were the first cleaning and security provider to accredit as a Living Hours Employer in November 2022.

Living Hours is currently only open to Living Wage Employers, however **several Recognised Service Providers have been part of a pilot** to ascertain how RSPs can interact with the standard, and the Living Wage Foundation are continuing to look at how third-parties are included.

Anybody interested in hearing more about Living Hours should speak with their contact at the Living Wage Foundation.



### CASE STUDY: ADEPT CORPORATE SERVICES

Adept Corporate Services were set up with the ethos of paying the real Living Wage from the beginning, and then became the first cleaning and security company to sign up to Living Hours. Their Managing Director Nick told us: *“As much as yes, we were paying people and giving them the tools they needed, they had no security whatsoever.*

*Overall it’s been working really well for us. Part of me was worried it was going to cost us thousands and thousands, but it hasn’t.*

*The fact that our retention rate is around 94% is a massive hidden saving for us. We’ve also picked up new business because our staff are happy. We reckon we’ve saved tens of thousands from offering the Living Wage and Living Hours.*

*We’ve seen so many benefits of treating our staff so well. More and more clients are coming to us and saying they like working with us because of this. We’ve actually not suffered anywhere within the business and I think a big part of that is because our staff are happier, are providing a really good service, and our clients are happy and we’re not getting any terminations.*

*I really like being unique and different. But I want all of us to join the party, because for me there’s more than enough cleaning and security jobs for all companies. And if we could ensure that the industry wasn’t rock bottom, that we’re all paying a real Living Wage and looking after people, then every client is going to have to value it and pay accordingly.”*

To view the full case study, please visit the [Living Wage Foundation website](#).



## 4. Going further with the Living Wage Foundation

### RECOGNISED SERVICE PROVIDER LEADERSHIP GROUP

To assist and guide the Living Wage Foundation with policy decisions within the sector, the **Recognised Service Provider Leadership Group** was formed. The Leadership Group lends its expertise to the Foundation to better Champion the Living Wage within the provider industries.

The group is made up of leaders from several Recognised Service Providers, as well as representation from the IWFM and some Living Wage Employers. The current chairs are Phil Smith, Chairman of The Hill Club, and Dominic Ponniah, CEO and Co-Founder of Cleanology.

New members are added each year, and anybody interested in joining the group should speak with their contact at the Living Wage Foundation.



### MAKING LONDON A LIVING WAGE CITY: SERVICE PROVISION ACTION STRAND

As part of the Making a London Living Wage City campaign, there is an Action Strand focusing on Service Provision in the capital.

The Action Strand is chaired by Gary Binder of Churchill Group, with membership from the Greater London Authority, several Living Wage Employers and Recognised Service Providers, industry bodies and workers' rights groups.

The group's objectives are to increase the number of Living Wage Employers and Recognised Service Providers in the sector in London, as well as using service provision to encourage accreditations in other sectors.

Some of the activities that are planned through the work of the Action Strand include listening activity taking place in the City of London to understand the worker perspective and an 'Invisible Worker' campaign, planned for early 2025, focusing on recognition and value of low-paid outsourced workers.

Gary Binder said: *"It is very easy for outsourced workers to be forgotten. Whilst it is fantastic that the gap between the National Living Wage and the Real Living Wage has decreased, and we have seen significant increases to both rates over the last few years, it is still imperative that we ensure that we share their voice and fight for what is right and essential for them."*





# GET IN TOUCH

We hope that you have found this toolkit useful in learning more about accrediting with the Living Wage Foundation.

Get in touch with the Living Wage Foundation to discuss any questions or challenges your organisation has with the accreditation process. The role of the Foundation is to support you in your journey towards accreditation and we can put you in touch with other accredited organisations to share best practice on implementing the Living Wage.

Contact us for more information to begin your Living Wage journey.

[livingwage.org.uk/become-a-living-wage-employer](https://livingwage.org.uk/become-a-living-wage-employer)

[livingwage.org.uk/recognised-service-providers](https://livingwage.org.uk/recognised-service-providers)

[livingwage.org.uk/contact-us](https://livingwage.org.uk/contact-us)

[accreditation@livingwage.org.uk](mailto:accreditation@livingwage.org.uk)

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In Scotland:  
[scottishlivingwage.org](https://scottishlivingwage.org)

*Living  
Wage  
Scotland*

In Wales:  
[livingwage.wales](https://livingwage.wales)

*Living  
Wage  
for Wales*



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