

IMPLEMENTING THE LIVING WAGE: A TOOLKIT FOR NHS ORGANISATIONS

Living Wage Foundation 2026



FOREWORD

25 years after the Living Wage campaign began in the UK with a meeting in Bethnal Green in East London, more than **16,000 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 **£4.2 billion** going back into the pockets of low paid workers. However, there is more to do as there are still **4.5 million employees** in the UK earning less than the real Living Wage.

NHS organisations have been leaders of change in the Living Wage movement. As **anchor institutions**, they have brought other employers in their area onboard, acting as champions in their local Living Wage Places group, and engaged other NHS employers in their network. We know the affect that paying the Living Wage can have on **reducing health inequalities and child poverty** in an area, helping NHS employers meet their population health objectives and strengthen their anchor work.

This toolkit for NHS organisations is part of one of the Living Wage Foundation's national sectoral focuses, on health and social care. Working in collaboration with various NHS partners, in recent years we've seen record growth of accreditations amongst NHS Trusts, notably as part of our **Making London a Living Wage City** initiative. Growing the Living Wage in the **public sector** is crucial to tackling in-work poverty on a local level. NHS Trusts, primary care employers and Integrated Care Boards are key to this work, and we hope this toolkit can facilitate more organisations in the NHS to adopt the Living Wage and use their influence to **drive further change**.



Katherine Chapman

***Director
Living Wage Foundation***





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THE LIVING WAGE CAMPAIGN

WHAT IS THE REAL LIVING WAGE?

The real Living Wage is the only UK wage rate that is **voluntarily paid by over 16,000 UK businesses** who believe their staff deserve a wage which meets everyday needs - like the weekly shop, or a surprise trip to the dentist.

The Living Wage rates are updated in autumn each year ([click here](#) to view the current rates). 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 - even calling it the 'national living wage'.

their families need to live. Instead, it was based on a target to reach 66% of median earnings by 2024.

The National Living Wage was extended to those over 23 years of age in 2021 and then those over 21 in 2024. In 2024, the government announced plans to factor in the cost of living in its wage calculation and adjust to include those over 18 years old. **This rate is still lower than the real Living Wage** and whilst it factors in the cost of living, it also factors in other things including what is affordable for business and median earnings.

The real 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 earn a wage that meets the **costs of living**, not just the government minimum.



HISTORY OF THE LIVING WAGE CAMPAIGN

1. The Living Wage Campaign



The campaign for the real 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**.

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 real Living Wage by awarding the **Living Wage Employer Mark**.

almost half a million people have had their wages uplifted as a direct result of the Living



WHY PAY THE LIVING WAGE?

Ensuring staff are paid the Living Wage is an investment in workers, proving to be **good for business** and **good for society**. Despite the success of the Living Wage campaign, Living Wage Foundation data published in 2024 found that **4.5 million UK jobs** – equal to 16% of all jobs – were paid less than the real Living Wage.¹ Facing the impact of rising living costs, more employers are choosing to do right by their workers and pay the real Living Wage.

Research conducted by Cardiff Business School found that for most accredited Living Wage employers, the decision to pay the Living Wage was an ‘expressive’ one, informed by a desire to be a **good employer**, support the Living Wage campaign, and act in accordance with **organisational mission and values**. Many employers referred to an intention to ‘**do the right thing**’. Instrumental motivation was also important, with many employers joining the scheme to improve aspects of **Human Resource Management**, such as recruitment and retention, or to secure contracts or investment.²

Employers reported **higher staff morale and motivation**, and **better quality of candidates** during recruitment, with **93% of university graduates** wanting to work for a Living Wage Employer.

Employers also noticed improved rates of **retention**, a **25% reduction in absenteeism** rates, as well as **enhanced productivity**.

Accreditation also helps employers **remain competitive, boosting their brand**. Over a third of employers reported that the Living Wage helped the organisation **secure contracts and funding**.

“I’m really proud of NHS North East London ICB becoming the first ICB to commit to the London living wage. This is a really important step towards addressing inequity and improving people’s wellbeing and quality of life.

As an anchor institution we know we can play a key role in north east London and are committed to empowering our local communities. Supporting a thriving workforce is a core part of this and we want our workforce to feel valued so ensuring they receive a fair wage is fundamental to this”

Etheridge, ex-CEO at North East London ICB



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THE LIVING WAGE IN THE NHS



LOW PAY IN THE NHS

Non-medical employees deliver **vitaly important services** to the day-to-day workings of the NHS and are just as important to the running of hospitals, clinics, and GP Practices as clinical staff. At the Living Wage Foundation, we welcome the fact that **Agenda for Change** pay rates often ensure directly employed staff at most NHS Trusts earn enough to meet the cost of living (for more on how Agenda for Change interacts with Living Wage rates, see pages 11-12).

However, **outsourced services** delivered by those such as **cleaners, security, porters, drivers, maintenance, and facilities management staff** can often slip through the cracks. Depending on the size of the Trust, this can account for anything between **100 and 1000 staff**

members providing regular services for an NHS Trust who are not paid the real Living Wage. In primary care, as Agenda for Change rates aren't applicable, the job roles which are most likely to be low paid are **reception and administrative staff, cleaning staff and phlebotomists**. This can amount to **20-30% of the workforce** at a GP Practice who are paid below the real Living Wage.³

By accrediting as Living Wage Employers, NHS organisations commit to paying **all their directly employed staff** a real Living Wage and to having a **plan in place to move all third-party contracts** to the Living Wage at the earliest, legal opportunity. This commitment ensures all members of staff delivering regular services for an organisation receive a wage allowing them to cover their **everyday needs**.

Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust say that:

“The Living Wage links to the in-work poverty that we hear about so much – we heard about it a lot even before Covid – it was raising its head last year [2019], with nurses who were going to foodbanks. Our Living Wage Employer accreditation ensures that our employees have the means to be able to afford day-to-day living costs.”

2. The Living Wage in the NHS



“It was very hard because by the end of the month – more or less a week before the end of each month – you are waiting with nothing in your account at all.”

A cleaner and father of three, who in 2018 began working for a private company in NHS facilities. His hourly wage was £7.83, and he was not entitled to sick pay.



THE PUBLIC HEALTH CASE FOR THE LIVING WAGE

The Living Wage is proven to have a variety of positive impacts on public health and the wellbeing of communities. Research conducted by Public Health England and the UCL Institute of Health Equity found that the implementation of the Living Wage is associated with significant improvements in **life expectancy, mental health conditions** such as depression, and **activity-limiting illnesses**.⁴

Research by the Living Wage Foundation in 2025 indicated concerning links between low pay and mental and physical ill health. 59% of workers paid below the Living Wage reported **skipping meals and being unable to heat their homes due to financial reasons**. Meanwhile, **42% had used a foodbank** at least once over the past 12 months. There are particularly large proportions of low paid workers which say the pay they receive **negatively impacts both their mental health** and their **overall quality of life** (42% and 41% respectively).⁵

In turn, the health of the local population impacts directly on the pressure felt by NHS services. The Joseph Rowntree Foundation estimated that **£29 billion a year** is spent on treating the conditions associated with poverty in the UK (approximately a quarter of all health spending).⁶

A commitment to paying staff the real Living Wage would therefore be a step towards **tackling poverty-related illnesses** and health conditions.

2. The Living Wage in the NHS

“There is a strong connection between economic regeneration and better health, and that was the main driver behind our decision to become a Living Wage Employer. As an organisation, we consider ourselves much more than a hospital.”

We have been a trailblazer in adopting the Living Wage – we want our local population to have employment opportunities, jobs, good schooling. We see health in a bigger picture: population health, population wealth, regeneration, employment, education.”

Dinah McLannahan, ex-Chief Finance Officer at Sandwell & West Birmingham NHS Trust



AGENDA FOR CHANGE AND THE LIVING WAGE

In 2018, through **NHS Staff Council** and devolved negotiating structures, collective agreements were made between NHS trade unions and employers covering the **Agenda for Change** (AfC) pay scales for 2018-2021. These contained key measures to **tackle low pay** for directly employed staff.

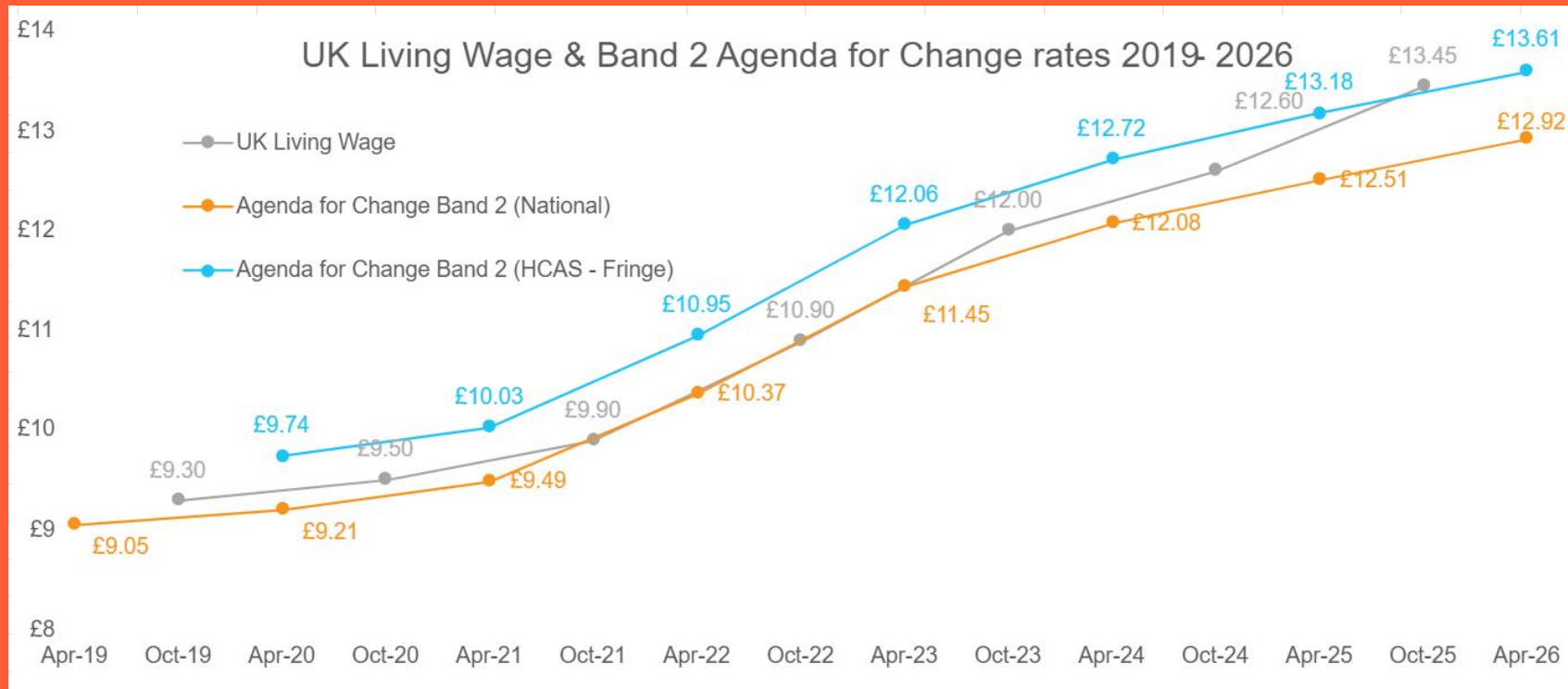
The AfC pay band 1 was closed to new entrants and these staff were given the opportunity to move to a band 2 job across the UK, following an earlier initiative to implement this in Scotland. For the first time, this brought minimum basic pay **above the Living Wage rate** for all directly employed NHS staff across the UK (previously Living Wage top-up initiatives were applied by the Welsh and Scottish Governments but not in England and Northern Ireland).

By April 2020 minimum pay in England and Northern Ireland had again **fallen below the Living Wage rate** set during Living Wage Week in November 2019. This meant that those directly employed staff who chose to remain on band 1, and staff with **fewer than two years' experience on band 2**, no longer earned the Living Wage if they worked outside of inner or outer London. For 2021/2022, the 3% pay award determined through the NHS Pay Review Body process left the band 1 spot rate and band 2 entry point **£0.01 short of the Living Wage** rate of £9.50 set in November 2020. This gap **widened to £0.41** after the 2021/2022 Living Wage rate of £9.90 was announced in November 2021.

April 2022–April 2025 AfC band 2 pay stayed above the real Living Wage but the 25-26 pay award announced in May again fell short of the real Living Wage. Even when AfC pay rates are above the real Living Wage, they are working on a different timeline. AfC and Living Wage rates are announced at different times during the year (usually April–June and October–November respectively), it is important for accredited NHS organisations to **monitor this change** and ensure that relevant staff pay is uplifted if the AfC rate slips below the Living Wage.

The graphs on the following two pages illustrate the difference in previous years between the AfC band 2 pay grade across the country, and the UK and London Living Wage rates.

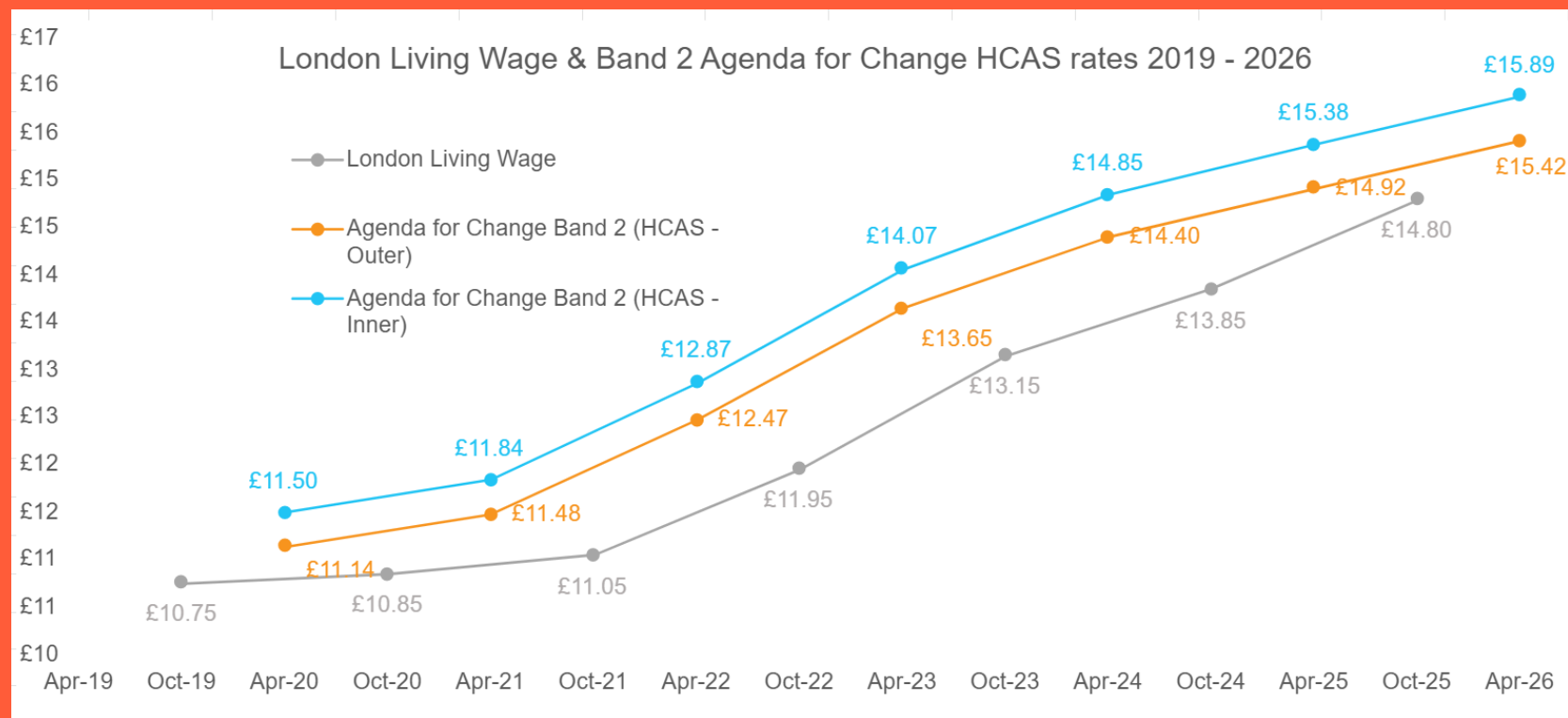
AGENDA FOR CHANGE AND THE LIVING WAGE



Source: NHS Employers, Terms and Conditions of Service (Agenda for Change)

AGENDA FOR CHANGE AND THE LIVING WAGE

For NHS organisations based in **either inner or outer London**, band 2 AfC rates have remained comfortably in excess of the London Living Wage. This means **all London-based NHS organisations using AfC** already meet the first requirement of accreditation by paying all their directly employed staff the Living Wage, though the Living Wage Foundation would recommend Trusts continue to monitor these rates in case of any changes.



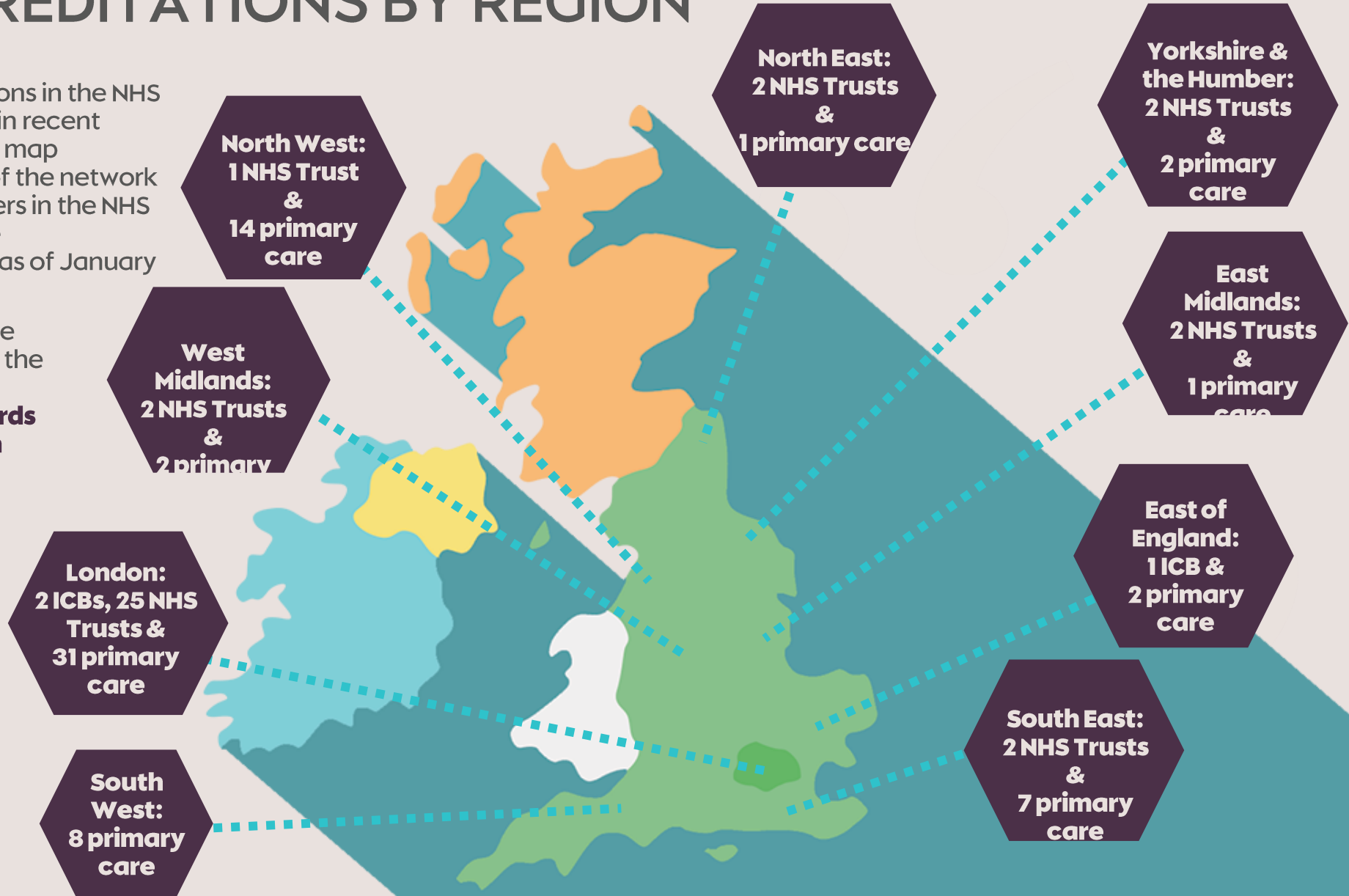
Source: NHS Employers, Terms and Conditions of Service (Agenda for Change)

NHS ACCREDITATIONS BY REGION

Numbers of accreditations in the NHS have risen significantly in recent years (since 2020). This map illustrates the breadth of the network of Living Wage employers in the NHS in England, showing the accreditation numbers as of January 2026.

There is also a notable presence of Living Wage employers in the rest of the UK. **Scotland has 11 accredited Health Boards** and **Wales has 2 Health Boards**.

[Click here](#) to find our **interactive Living Wage map** and view the full and up to date list of accredited NHS employers.



2. The Living Wage in the NHS



ACCREDITING AS A
LIVING WAGE EMPLOYER

THE ACCREDITATION PROCESS

By becoming a Living Wage Employer, NHS organisations ensure that **all staff are paid at least the Living Wage** and that these rates are implemented each year to keep up with the cost of living.

Accredited Living Wage Employers sign an annually renewed **licence agreement** to confirm they pay at least the Living Wage to all directly employed staff and have a **plan in place to pay the Living Wage to all regular third-party contracted staff** (such as cleaning, security, porters, and catering staff). This applies to all workers over the age of 18, excluding apprentices.

If it is not possible to move third-party contracts to the Living Wage immediately, organisations must set **target delivery dates** for phased implementation of these contracts at the **first legal opportunity**. Each contract not on the Living Wage at the point of accreditation (included as a milestone in the licence agreement) should be moved to the Living Wage **as soon as possible and within three years**.

The Living Wage Foundation works with employers to agree a plan that works for each organisation which is reviewed each year at the point of their anniversary.

STEP 1

Ensure all **directly employed staff** are paid the Living Wage. Agenda for Change pay scales often ensure this is the case. Organisations using the lower end of band 2 based outside of London may have to top up the wages for some staff, or redesign jobs to qualify for a higher banding.

Ensure your organisation's **senior leaders** and **trade union** are on board with achieving accreditation and paying the Living Wage.

Enquire with the Living Wage Foundation to and **receive guidance** on collecting your milestones.

Nominate a member of staff to **lead on your accreditation**. If necessary, set up an internal working group with representatives from HR, Procurement, Finance and Comms to routinely check-in on your accreditation's progress.

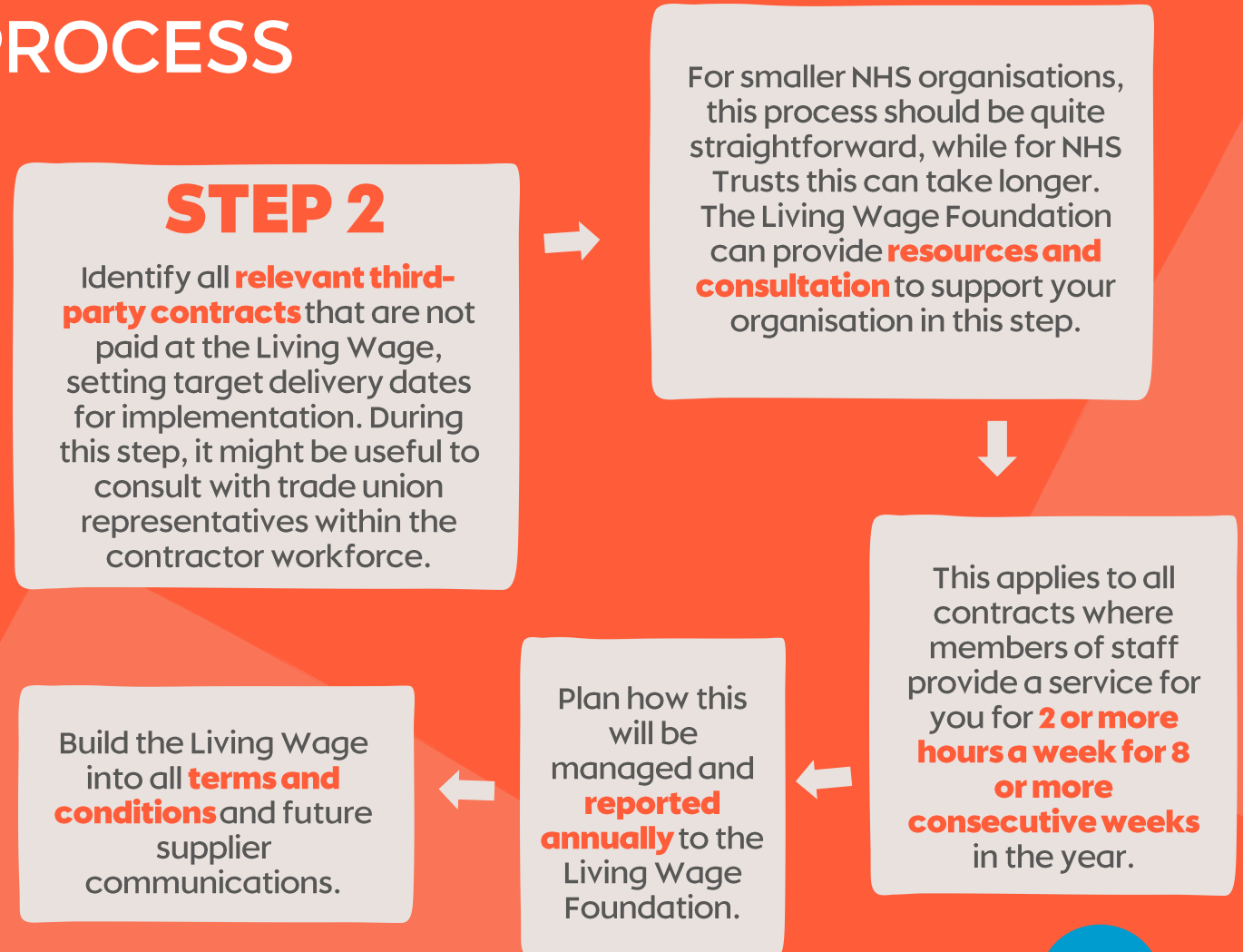


THE ACCREDITATION PROCESS

“Throughout the accreditation, we were very well supported; it was very clear what we needed to do. In terms of the process, the Trust was working through one particular contract with an external provider, which for us, was the biggest barrier.”

“It took some time to negotiate with our external provider, but from getting the green light for accreditation, this only took a few days from the Foundation.”

Chelsea & Westminster NHS Foundation Trust



THE ACCREDITATION PROCESS




“As part of our employment recruitment approach, we advertise our Living Wage Employer accreditation on an ongoing basis. We use our Living Wage Employer status in various promotional materials (including new contract offers and recruitment fairs) to demonstrate our standard and quality as an employer.”

Sandwell & West Birmingham NHS Trust


KEY AREAS TO CONSIDER




Have you considered **all third-party staff** who regularly provide a service for you? Think about any **outsourced** cleaning, security, maintenance, catering, or portering contracts.




Are any of your **local Bank pay rates** below the Living Wage?




How will you ensure you are able to commit to the **annual uplift** to the Living Wage rates announced each October?



How will you ensure **holiday pay** and **agreed overtime** is paid at the Living Wage rate?



How will you make sure compliance with the Living Wage achieved **without cutting other terms and conditions** (e.g., unsocial hours premiums, sick pay)?



Are you based outside of London and employing anyone in **Agenda for Change Band 2 or Band 3**?



Are there any other staff members **providing a service to you or on your behalf** not listed in this toolkit?

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LIVING WAGE ACCREDITATION FOR NHS TRUSTS

ACCREDITATION PROGRESS FOR NHS TRUSTS

The NHS London Anchor Programme Team were key partners in our ‘Making London a Living Wage City’ project. Here Lizzie Smith talks about the importance of the Living Wage in the capital, and the success of this work. Through our national campaign in health and social care, we aim to expand this success across the whole of the UK.

“In London, the health and social care workforce makes up around 1 in 12 of the total workforce. Given this, it is imperative that the NHS as the country’s largest employer and as an anchor institution leverages its role and assets to look after its people. We know that good employment and good health go hand in hand – paying an income which enables a healthy standard of living is key to this.

I am delighted to say therefore that since July 2022, the number of NHS Trusts who have become accredited London Living Wage employers has grown from 8 to 25. These 25 accreditations have led to 8,752 staff receiving pay rises, with many more Trusts taking steps towards this path.

However, we recognise the need to do more to support Londoners. The capital has the second highest rate of poverty for workers across the UK, and more can be done to support our lowest paid workers across all types of NHS employers. Many staff on NHS Agenda for Change contracts already receive a real living wage, and we are committed to the ongoing work to ensure third-party contracts provide employees with this too.

We continue to work jointly with our partners from the Making London a Living Wage City campaign, both within the NHS and across the Greater London Authority, local authorities, social care and beyond. I was delighted to be jointly honoured with David Bradley (CEO of South London and Maudsley NHS Foundation Trust) as Health and Social Care Champions at the Living Wage Champion Awards 2023, in recognition of the fantastic progress that has been made in



Lizzie Smith
Director for Workforce, Training & Education, London, and SRO NHS London Anchor Programme



CUMBRIA, NORTHUMBERLAND, TYNE & WEAR NHS FOUNDATION TRUST

CNTW NHS Foundation Trust became an accredited Living Wage Employer in 2013. They were the first NHS Trust in the North-East of England to accredit with the Living Wage Foundation and have championed the Living Wage during Living Wage Week each November.

“The Living Wage Foundation came onto our radar in 2013. In order to internally approve the accreditation, work was done by a colleague to build the business case for the executive team, and it was agreed that we would roll it out. This was in mid-2013, and we were able to roll out the Living Wage in 2014.”

Reasons behind their accreditation:

“This was partly to do with corporate social responsibility, but also to reflect our service users in the communities we support. Parts of the North-East have big social deprivation, so we felt if we could say we were a Living Wage Employer and invested time into educating people within the Trust about what that meant, that could encourage candidates who maybe wouldn’t have applied to work in the NHS to come forward and work with us.”

Why pay the Living Wage?

“Accreditation helps with the recruitment and retention side of things as well. It goes alongside the other suite of offers that the NHS provide – we have a good pension scheme, sickness scheme, death in service etc., so we have a good package of reward benefits. We want to make sure that everything aligns.”



The accreditation process and its challenges:

“The process of committing to the Living Wage has been quite smooth since accreditation. We have internal processes which we go through in November (when the new Living Wage rates are announced) and then we revisit this in March in order to get the payroll through. It’s pretty streamlined.”

“When thinking about our subcontractors, we just have to make sure that we’ve got the Living Wage written into their contract agreements as standard. We’ve received no negative feedback from any of our contractors or agencies that we work with in regards to implementing

SANDWELL & WEST BIRMINGHAM NHS TRUST

Sandwell & West Birmingham NHS Trust accredited as a Living Wage Employer in 2018. They have since championed the Living Wage as an anchor institution by joining the action group to Make Birmingham a Living Wage City.

“The Living Wage Employer accreditation was in close alignment with our values as an organisation and ambitions for wanting to be a significant employer within our local community, and not just a provider of healthcare. When you look at the needs of our local community, it’s one of the most deprived in the country, and with that deprivation, there are lots of opportunities to be able to make a difference and harness the potential of the skills that we have available.”

“To be a responsible employer in a meaningful way, we have to recognise that people need to have a basic standard of living in order to be able to explore employment and educational opportunities with us, which enable them to go onto a career pathway.”



Dinah McLannahan
Ex-Chief Finance Officer

Going further than Living Wage Employer accreditation:

“Living Wage Employer accreditation fits in with our wider ambitions of fairness and efficacy around pay. We want to live our values and for it not to be seen as just rhetoric, but for it to be a reality in terms of the experience that our staff receive.”

“We are identifying which of our suppliers are accredited as Living Wage Employers and which aren’t, and we will work with the Living Wage Foundation on the best way to accredit them. There will be some suppliers who aren’t aware of the accreditation, some who need a bit of persuasion to get on board, and some suppliers who for whatever reason are choosing deliberately not to pay the Living Wage. We are going to work with the Foundation on an action plan to maximise the Living Wage within our network.”

CHELSEA & WESTMINSTER HOSPITAL NHS FOUNDATION TRUST

Chelsea & Westminster Hospital NHS Foundation Trust accredited with the Living Wage Foundation in 2020, becoming the 2000th London-based Living Wage Employer.

“The buy-in and support of accreditation from the Trust’s perspective was clear from the beginning – it wasn’t a matter of having to work through why this was beneficial.”

“One of our strategic objectives for the Trust is to be the ‘Employer of Choice’ so the fact that we are now able to use the Living Wage Employer logo really helps with that. The Living Wage Foundation helps with building a really positive brand, so we’ll be using that on our official communications, particularly in our recruitment paperwork.”

“We are seeing much more interest for non-clinical roles from people who haven’t previously worked in the NHS. For them, seeing our branding that we are a Living Wage Employer will be a benefit.”

“From the patients’ perspective, when they come in and out and they see that we are a Living Wage Employer – we’ll display this – it will also help them feel better looked after.”

4. Living Wage Accreditation for NHS Trusts

Why pay the Living Wage?

“Our accreditation highlights how everyone who works for the NHS is very important – sometimes we focus mainly on the qualified staff, but the NHS is a huge puzzle, and everyone has to come together to provide the services. Making sure that the lowest paid staff are paid fairly helps to support that message.”



UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST

UCLH

We are committed to delivering top-quality patient care, excellent education and world class research

Safety
Kindness
Teamwork
Improving



UCLH NHS Foundation Trust became a Living Wage Employer in 2015. They tackled the challenges to accreditation head on:

“When we first started thinking about the Living Wage, when bands 1 and 2 were still around, we were recognising that there are higher pressures in London around wages and costs of living.”

“We had been talking to the mayor’s office about the cost of living, and what was being done about housing and transport, and at that time, apart from expressions of wanting to do better, there wasn’t much that was tangibly making people’s lives more affordable.”

“Becoming a London Living Wage Employer was a tangible option to pay people a wage that took the high cost of living in London into account. It led to the phasing out of the use of pay bands below the London Living Wage at UCLH even before that became a national initiative. This was a direction of travel agreed by our Directors.”

4. Living Wage Accreditation for NHS Trusts

What about third-party providers?

“We welcome the fact that accreditation includes the need to apply the London Living Wage to third party contractors. We know that this is something that is important to our NHS staff, our governors, our board and our staffside partners.”

“There’s so much outsourcing going on in the NHS. If we really want to address the issue of low pay, we have to make sure public sector organisations understand that if they’re making a commitment to the Living Wage, they’re committing to a one-tier and not a two-tier wage system.”

“Usually, with an outsourced contract that’s substantial, you’ll start thinking about re-tendering around 2 years before the end of the contract with the current provider. It’s important to think about the Living Wage while you’re tendering. You can then plan it in.”

“There are financial challenges to implementing the London Living Wage in contracts with third party providers particularly as those costs will be passed back to Trusts via the costs of the services, but it’s an issue that goes beyond cost. It’s a moral and

4. Living Wage Accreditation for NHS Trusts

EPSOM & ST HELIER UNIVERSITY HOSPITALS NHS TRUST

Epsom & St Helier University Hospitals NHS Trust accredited with the Living Wage Foundation in 2021. In order to comply with the two accreditation requirements, they opted to TUPE over a number of staff from facilities management and patient transport services, bringing these roles in-house (see page 28 for more details).



What motivated the Trust to become a Living Wage Employer?

“It’s important for us to provide our ancillary staff with a competitive non- Agenda for Change salary and to provide all transferring staff with an appropriate pay rise to recognise their contribution to the Trust and pay accordingly.”

“By signing up to be a London Living Wage accredited employer, it places us in a good position within the London employment market, showing that the Trust is committed to pay a minimum salary for staff to live on.”

“The accreditation is a simple process which is fully supported by the team at the Living Wage Foundation. You’ll be provided with ongoing advice and support and show your local community that you are committed to providing a fair and equitable salary for non-Agenda for Change staff.”

“We hope by pledging to pay the London Living Wage, this will place us in a favourable position as an employer of choice for our ancillary staff. The decision makes us very competitive in our area and provides us with reliability and consistency from our workforce.”



COMMON CHALLENGES AND HOW TO OVERCOME THEM

Financial challenges of becoming a Living Wage Employer

UCLH NHS Foundation Trust:

Although UCLH's commitment to the Living Wage was agreed by the Trust's Directors, there were financial challenges to face in respect of reviewing third-party contracts.

“As an organisation we had to remind ourselves that we had committed to being a Living Wage Employer, and that included third-party contracts. We had to realise that meant making a financial commitment beyond our own employees.”

“It took a lot of communication with the different stakeholders involved in tendering for third-party contacts to ensure that they fully understood the commitment that the Trust had made. This did present the Trust with tough choices around affordability. Being able to fall back on the senior director's commitment was important in making it work and navigating the financial challenges.”

It's important to calculate the overall cost of the accreditation (including any necessary pay rises for more senior staff to maintain pay differentials) and budget accordingly.

4. Living Wage Accreditation for NHS Trusts

Implementing pay rises in line with Living Wage rates each year

Sandwell & West Birmingham NHS Trust:

The Trust relies on a small number of staff within payroll to administer and implement pay rises for relevant employees each year.

“It's a lot of manual inputting and adjustments to the process – this is difficult from an administration perspective, at the point at which we review.”

“However, we hear about the change in Living Wage rates each November, and our team just make sure we align with these rates. It's just part of what we do on an annual basis, we know that we're an accredited Living Wage Employer, and we keep track of the rates.”

Gathering complex milestone data from multiple third-party contracts

COMMON CHALLENGES AND HOW TO OVERCOME THEM

For most NHS Trusts, third-party contracts which fall within the scope of Living Wage Employer accreditation will include facilities management, building maintenance, cleaning in hospital and ward areas, portering services, and building security.

Possible solutions:

Upon renewal of a contract, negotiate the terms to include the Living Wage (see sample contract clause on page 29)

Bring certain services in-house via TUPE

If using a supplier who also provides services for other Trusts in the local area or Integrated Care System, utilise NHS networks to explore cross board commitment to the Living Wage

If coming to the end of a contract with a supplier and you'd like to find a new one, use our Living Wage Map to search for Living Wage Employers and Recognised Service Providers

“We completed on a large transfer of approximately 480 staff from Mitie. We wanted to make sure that we provided this staff group with an adequate pay rise at least equitable to the London Living Wage for all and to ensure that all new joiners are placed onto a London Living Wage rate of pay. We also applied the London Living Wage to our ancillary staff that work via Bank.”

“All non-Agenda for Change staff including Patient Transport Services now earn the London Living Wage. They received a backdated uplift to the London Living Wage, so all staff were not financially disadvantaged. Some staff within Patient Transport Services and from Mitie decided to remain on their existing contracts as they receive ongoing benefits that they wished to keep (i.e., pensions and annual leave entitlement).”
Epsom and St Helier University Hospital NHS Trust

COMMON CHALLENGES AND HOW TO OVERCOME THEM

What about long-term **PFI contracts** ?

Find out if there are any **legal opportunities** to move the contract to the Living Wage sooner than its expiry date (e.g., is there a **break clause**?)

If not, the Living Wage Foundation will work with you to set **realistic targets** for encouraging progress towards the Living Wage

The Living Wage Foundation can provide **resources and templates** around implementing the Living Wage in relevant third-party contracts.

Sample contract clause:

Supplier X shall for its employees (other than an apprentice or intern) who provides a service to or on behalf of EMPLOYER X for 2 or more hours for 8 or more consecutive weeks in the year:

- 1. pay all its employees aged 18 or over not less than the then current Living Wage; and*
- 2. increase the amount which it pays to affected employees by the same amount as any increase to the Living Wage, within 6 months of the date on which any increase in the Living Wage is officially announced; and*
- 3. notify all affected employees of the date of the next increase within one month of the official announcement, unless the employees have been previously notified about the date on which they will receive at least the increase in the Living Wage.*

Supplier X shall ensure that all of its contractors and third parties engaged in the provision of Services to EMPLOYER X shall abide by these terms.

The background features a vibrant orange color with several abstract, overlapping shapes in white and a lighter shade of orange. These shapes include a large white triangle pointing downwards, a light orange circle, and several white curved lines and bands that create a sense of movement and depth.

LIVING WAGE ACCREDITATION IN PRIMARY CARE

WHY PAY THE LIVING WAGE IN PRIMARY CARE?



Rachel Roberts
Ex-Primary Care Dean London,
Workforce Training and Education
Directorate of NHS England

“We write at a time of unprecedented increases in cost of living, difficulties retaining staff in the NHS, and extreme workforce pressures in primary care impacting on morale. Furthermore changes during COVID across society and the NHS have caused frustrations for patients which also impact on the healthcare- patient relationship. Primary care is among the frontline for patients to connect with and communicate with the NHS, and none more so than receptionists and frontline clinicians.

We know from the highly impactful research and work in this toolkit that those most adversely impacted by cost of living crisis, and wages that can at times fall under the Living Wage are reception and staff in these pay brackets currently.

Let us try collectively to take this opportunity to improve retention and morale of primary care staff, and also hear from practices who have made the decision to become accredited Living Wage Employers. The narrative from these practices span the professional groups and detail the benefits for their practices, but also how any barriers have been overcome. We know that there are financial costs associated with this commitment, but also that high staff turnover is also costly in terms of recruitment, cover and the burnout of remaining staff – so let’s start the conversation within our practices, Primary Care Networks and federations, to see what it would mean for us.”

ACCREDITING AS A LIVING WAGE GP PRACTICE

As primary care providers, GPs play a central role in the **wellbeing of their communities**. Paying the Living Wage is a key aspect of providing staff living in those communities with good jobs and the means to live healthier lives.

We spoke to 5 GP practices about their experience of implementing the Living Wage. These conversations have been turned into case studies which you can read on the following pages. One key theme that stood out in these conversations was the link between **fair wages, quality of life and health outcomes**. The GPs we spoke to recognised that **paying a Living Wage aligns with their core purpose** – to look after the health of their communities. The Living Wage not only supports individual employees to enjoy a better quality of life, but also boosts local economies as wages go back into the community through higher spending and productivity.

The main benefit to paying the Living Wage that emerged in the conversations was that of **improved staff retention**. In a sector experiencing real challenges when it comes to recruiting and retaining staff, where non-clinical patient-facing roles can be very demanding and are often low paid, introducing the Living Wage ensures that these **staff feel valued and stay longer at their jobs**. This not only **saves employers money** on recruitment, training, DBS check and uniform costs, but also **increases the quality of patient care**. Like their colleagues in clinical roles, receptionists and administrative staff require knowledge of patient medical records and medications, knowledge which takes time and experience to develop.

Of course, paying the Living Wage in Primary Care has its own particular set of considerations. Unlike NHS Trusts, GP practices operate as **individual business** which set their own pay rates outside of Agenda for Change, which can mean both more work and greater opportunity when it comes to implementing pay increases. GPs may be based in NHS-owned buildings with centrally-run facilities services, or they may be separate. The job roles which are most likely to be low paid are **reception and administrative staff, cleaning staff and phlebotomists**.

Balancing budgets can be tricky as core funding is set by long-term nationally negotiated contracts which have not kept up with current rates of inflation. From the GPs we spoke to, the **percentage that the Living Wage added to wage bills ranged from 1.14% to 4%**. Maintaining pay differentials was also a challenge that several of the GPs we spoke to mentioned. Nevertheless, paying the Living Wage should not be seen simply as a cost, and these **challenges have been successfully overcome**.

WATERFOOT MEDICAL PRACTICE

Waterfoot Medical Practice became an accredited Living Wage Employer in 2021. They have 25 staff members.

Why pay the Living Wage?

“After the pandemic, when we were looking at staff health and wellbeing, we thought one way to improve this would be to accredit as a Living Wage Employer. Our main staff group that would be affected by this change would be our reception team. It’s a hard and challenging job being a receptionist, so we wanted to do whatever we could to keep morale up.

A lot of our staff are local to the practice, and so there’s something about us giving to the community that we serve as a practice and boosting income and expenditure locally.

“For the organisation, it’s a reputational thing that we are seen to be doing the right thing by our employees. And for patients, they get the benefit of an experienced workforce.

Improved retention also means we don’t have all the expenses that go with recruiting, like DBS checks, taking time out of other staff’s days to recruit and train staff, buying new uniforms etc.”

5. Living Wage Accreditation in Primary Care

Overcoming the challenges of accrediting:

“One challenge is keeping up with the Living Wage whilst we’re still part of a national contract that got negotiated five years ago and doesn’t account for current levels of inflation. To address this, we had to look at other sources of income, for example taking on more medical students.

Another challenge was maintaining pay differentials. The way we’ve sought to address this is, for the next couple of years, we’ll move things along at a slightly accelerated pace to try and

On the workforce challenges facing the sector:

“Across the country, practices are facing a real risk of losing experienced GPs who are coming up to retirement, choosing to leave the profession or working reduced hours and there not being the same level of new GP trainees coming through to replace them.

GP Partners may find themselves in a position where they can’t attract or retain clinical staff due to the pressure on the workforce and we’ve already seen examples of where they have opted to just hand the contract for services back. The knock-on impact of that is that there won’t be practices to serve patients in some areas.

The Living Wage is a way of making your business run more smoothly by having a content experienced workforce that make the day to day running of the practice smoother and



LEACROFT MEDICAL PRACTICE

Leacroft Medical Practice have been an accredited Living Wage Employer since 2016. They have 27 staff members.

Why pay the Living Wage?

“When I started as a practice manager, most of the admin and reception staff were basically paid minimum wage. And it just felt wrong, really. It’s a hard job to be frontline, even if you’re not doing clinical frontline NHS work, especially the pressures we’ve been under for the last few years.”

On the accreditation process and its challenges:

“The only challenge really was persuading the partners at the time that it was an investment in staff and it would have benefits to them. We’d had a little bit of staff turnover at the time, so I could argue that we would be better at retaining staff and that’s definitely proved to be the case.”

“I think there’s maybe a lack of understanding of the benefits, that it’s not as cut and dried as it’s going to cost me money. Yes, it’s going to cost money, but it’s going to bring all these benefits on the side, which will include financial benefits.”

Accumulated experience is beneficial to us as an organisation and to the patients.



5. Living Wage Accreditation in Primary Care

On improved staff retention:

“We’ve definitely improved staff retention, which has all kinds of benefits. Patients get a better service because our team is experienced, we’ve got people that have been here many years, and so they’re dealing with people who understand their issues. Working in primary care is quite complex. Receptionists need to be clued up on people’s medication, on specific needs that different people might have, and so to have staff with that accumulated experience is beneficial to us as an organisation and to the patients.”

“Staff turnover can be incredibly time consuming, can damage morale, and can reduce the quality of the service you’re providing because you’re always having to train people up from scratch again. So the fact that we’ve minimised that has made us feel very strong as an organisation at a time when a lot of GP surgeries are suffering with low employment numbers, which causes stresses on the organisation. The fact we don’t have those stresses means we can focus on the things that are more important, like patient care.”

HERNE HILL GROUP PRACTICE

Herne Hill Group Practice have been an accredited Living Wage Employer since 2021. They have 30 staff members.

Why pay the Living Wage?

“There’s the principle of paying people properly, first off. Then one of the local councillors made a convincing case that the Living Wage supports children living in poverty to come out of poverty. Then there’s the idea that the core purpose of general practice is to reduce health inequalities and support the weak and vulnerable in the community and that core purpose should start at home.

We also recognised that we have a lot of competition with other employers for our entry level jobs: Starbucks, Pret a Manger, Tesco. Unless we can be on a par with them, we’re going struggle to fill our vacancies.

Finally, general practice often isn’t seen as an anchor institution, but we’re local employers, we have people that come on apprentice schemes, we buy locally – all those things that anchor institutions do.”



Overcoming the challenges of accrediting:

“One challenge was the perception of risk. Once you sign up, you’re committed to pay the new Living Wage rates each year and you might not get the core funding to match. But the employees who are paid the Living Wage are not in the majority – the doctors and senior managers earn considerably more. So, we felt that if we looked at some efficiencies in other areas then we’d be alright.”

On the challenges facing the sector:

“We’re very tightly squeezed, we get minimal uplifts and have considerable increases in costs for utilities, wages, all those things. But I think the biggest challenge at the moment is the clinical and the non-clinical workforce and being able to deliver patient care effectively.

Despite the squeezed resources, we need to be offering people work where their pay will be commensurate with what they might get elsewhere.”

CAVERSHAM GROUP PRACTICE

Caversham Group Practice have been an accredited Living Wage Employer since 2016. They have 30 staff members.

Why pay the Living Wage?

“A fair wage and a good quality of life is an important way to ensure that people have good or better health outcomes. If we were driving people into poverty, not allowing them to access things that can help their mental and physical health, that wouldn’t represent the goals of a GP practice trying to help everybody stay well.”

You look after your staff how you want your patients to be looked after. If you are feeling frustrated that your patients are stressed, unable to access good quality food, then consider if your staff could be presenting at their surgeries with those same issues. And if you think that could be happening, then do something about it.

Working in primary care’s a really challenging job. I think if you are expecting people to come to work, give it their all, provide a really high level of care to people where they’re giving dignity, where they’re thinking about patients’ needs, people need to know that their own needs are taken care of. We need to start with making sure that people are able to pay their rent, live in a safe space, have enough money to feed and look after themselves and their family, and in a way that helps them bring that mentality into the workplace.”

“It’s a non-negotiable that we will always be paying the Living Wage or above. That’s just fundamentally not going to change. The downside of that is if we have a bad financial year, it means the partners will draw less profit, but that will hopefully not be the case.”



On the benefits of accrediting:

“For our staff, it means that we’re paying them a fair wage for a fair day’s work. People work hard and they deserve to be remunerated appropriately for that. I think it also sets out an expectation that we are an organisation that respect people and therefore we expect our patients to reciprocate that treatment. For the business, it means we attract a higher calibre of applicants and people stay with us for longer as well. If staff feel valued then they have a positive outlook on their work. They’re better employees, so it’s a win-win.”

5. Living Wage Accreditation in Primary Care

SUFFOLK PRIMARY CARE

Suffolk Primary Care have been an accredited Living Wage Employer since 2022. With 400 employees, they are one of the largest primary care providers in the Living Wage network.

Why pay the Living Wage?

“Accreditation demonstrated our commitment to paying a fair wage. We feel it’s important to support a more equitable and inclusive workplace and it’s certainly one way of achieving that. It also helps ensure that my colleagues are paid a salary that meets their basic cost of living needs whilst hopefully providing a better quality of life.

With an increasing population and associated demand there is an ever-greater need for skill sets that are in short supply. Every primary care employer will be constantly thinking about recruitment strategy; pay and culture is a key part of that. Living Wage accreditation demonstrates an employer’s commitment to fairness and a positive culture, one that is attractive, both to current and future employees at all levels.”



On the benefits of accrediting:

“43% of our employees have received a pay rise, at a time when you’ve seen rises of maybe 3% in primary care. So to be able to say that such a high percentage of our staff have benefited, I think it’s a real coup.

Being accredited has certainly helped us become more competitive within the market. Our employees feel more valued and hopefully see an improvement in their own quality of lives. We’ve received some really nice feedback from staff expressing appreciation for the size of uplifts in pay.”

On the importance of staff benefits:

“Primary Care is a challenging environment from a recruitment perspective, even at the lower salary levels. If you can provide an overall package that is genuinely meaningful and makes people feel valued, I think that’s key to helping you stand out as an employer, minimise staff turnover, and develop a loyalty and a trust which goes both ways. And that’s not only to the benefit of the organisation, but to our patients as well.

Historically, there have been few benefits to general practice staff when compared to the private sector. SPC has implemented a wider package of benefits for staff that includes learning and development opportunities and various salary sacrifice schemes for technology, cycle to work, homewares, gym memberships, and electric cars, as well as high street discounts.”

**BEYOND
ACCREDITATION**



MAKING THE MOST OUT OF YOUR ACCREDITATION

After becoming a Living Wage Employer, the Living Wage Foundation will advise how you can make the most out of your accreditation throughout the year.

From getting involved with **Living Wage Week each November** to attending our **Living Wage Champion Awards** ceremonies, we run plenty of celebratory events to showcase our network's support for the Living Wage movement.

Once accredited, you'll have access to our **online Resource Centre** which has a variety of templates and materials for communicating your commitment to the Living Wage, be that internally, externally, on your website, or on social media.

You'll also receive a **Living Wage Employer plaque** featuring your logo, for you to display on site so that all patients, visitors, and staff are aware of your accreditation.

We encourage all accredited Living Wage Employers to explore our other accreditations, like **Living Hours** and **Living Pension**.



Pictured right: Lizzie Smith (London Regional Director of NHS England) and South London & Maudsley NHS Foundation Trust London Anchor Team at the Living Wage Champion Awards 2023



We're proud to be a **Living Wage Employer**
committed to paying a wage based on the real cost of living



Living Wage Week is here! 🎉



We're proud to celebrate being part of a movement of over 16,000 employers making a difference by paying the real Living Wage - because everyone deserves a decent standard of living.

In the X years since being an accredited Living Wage Employer, we've seen the difference that it's made to our staff and our business.

Will your organisation be the next to join us? www.livingwage.org.uk

LIVING WAGE PLACES

Our **Living Wage Places** scheme asks major local public and private sector employers to not only pay the real Living Wage, but also come together to champion it in their communities.

Our focus at city and borough level is on ‘**anchor institutions**’, like NHS Trusts, Councils, and Universities that employ large numbers of local people, to work together to produce an action plan encouraging organisations to implement the Living Wage.

The scheme allows anchor institutions to demonstrate **outstanding local leadership** due to their long-established social, cultural, economic and political roots in their areas.

Hospitals have played a **vital role** in this programme, and we are pleased to see engagement from NHS organisations across areas including **Greater London, Greater Manchester Birmingham, Bristol, Salford, Dundee and Cardiff**.

Examples include Whittington Health NHS Trust, who became a Living Wage Employer in 2021 and their accreditation was an important part of the **London Borough of Islington’s** launch as a Living Wage Place.

We encourage all accredited NHS Trusts, primary care organisations, ICBs and recognised ICSs to engage with their local Living Wage Places action groups.



Pictured front left: Siobhan Harrington
Ex-CEO, Whittington Health NHS Trust

NEXT STEPS

We hope this toolkit has proved useful both in making the case for why paying the Living Wage is important for NHS organisations, as well as outlining the steps you can take to become an accredited Living Wage Employer.

As demonstrated through the case studies in this toolkit, the commitment to pay a wage which allows your staff to meet their everyday needs is transformative for many NHS organisations. Not only are there clear benefits relating to staff retention, recruitment, and an organisation's effectiveness, but the decision also ensures that all your directly employed and regular third-party staff consistently earn enough to meet the cost of living.

Please **get in touch** with the **Living Wage Foundation** for more information and begin your journey to becoming an **accredited Living Wage Employer**.

livingwage.org.uk/contact-us
accreditation@livingwage.org.uk

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This toolkit was written by Kezia Pugh, with primary care case studies by Josephine Linton. It has since been edited by Bethan Spacey.



THANK YOU

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