

Cardiff: a Living Wage Pioneer

Paying the real living wage is one of the most impactful actions employers can take to address poverty. In this case study, we explore how local campaigning helped bring together a range of partners across Cardiff - including the Council, Cardiff University, and Cardiff & Vale University Health Board - to take action on the real Living Wage. This in turn has led to a whole city-wide movement, with Cardiff going on to become the first major urban area in the UK to be recognised as a Living Wage City.

1. Early adopters: how it began

Cardiff Council - listening to a local campaign

Cardiff Council's decision to pay the real Living Wage to its own staff in 2012 came as a direct response to local campaigning from residents. Seeing the impact that paying the Living Wage could bring for employees, the Council pursued formal accreditation through the Living Wage Foundation - which it achieved in 2015 - and has remained an accredited employer since.

The Council's commitment subsequently became a platform for wider influence in the city. As the largest local employer and a major commissioner of services, the Council was well placed to use its procurement weight to push the Living Wage further through work with local partners.

Cardiff University - led by cleaners and students

Cardiff University was accredited as a Living Wage employer in August 2014, becoming the first university in Wales to do so. The decision followed a campaign by students and staff that emphasised the moral case for paying the Living Wage, arguing that without it the University was "not meeting its social duty".

A decisive feature of the campaign was video testimony from University cleaners describing the reality of living on a low income. This evidence - gathered by student campaigners - brought home to the University Executive Board the constraints and indignities of life on the minimum wage. After the decision was taken, staff who had received a pay rise testified to the difference it had made; one woman wrote to say she could now afford for her granddaughter to go on school trips.

Visible senior leadership mattered. The Vice-Chancellor publicly championed the Living Wage and insisted the University seek formal accreditation rather than simply paying the rate, and later played a part in negotiations with the Welsh Government on the Living Wage across Welsh higher education.

Going beyond the minimum

Cardiff University has chosen to go beyond what accreditation strictly requires. Employment agencies that supply temporary staff are required to pay the Living Wage, including those who place students through the Student Union's Jobshop. Responsibility for accreditation has been shared between HR and procurement: HR liaises with the Living Wage Foundation and tops up the pay of the small number of directly employed staff whose grade rate falls below the rate, through a supplement; whilst procurement has worked with contractors - principally cleaning companies - whose employees have been the main beneficiaries of the real Living Wage rollout. The Living Wage was extended to contractors' employees as contracts came up for renewal, with the University absorbing the cost.

2. Cardiff & Vale University Health Board - the first Welsh Health Board to accredit

Cardiff & Vale University Health Board accredited in 2021, becoming the first Health Board in Wales to do so. It had been paying all of its directly employed staff the real Living Wage since 1 April 2020.

The Health Board's experience offers a realistic timeline for NHS organisations considering the same step: it took workforce and procurement colleagues up to six months to gather the information needed and to begin discussions with service contractors about implementing the Living Wage for their employees.

The Health Board worked with Cynnal Cymru, the Living Wage Foundation's accreditation partner in Wales, to navigate the process. Cynnal Cymru supported the Health Board with the phased roll-out across service contracts, including tracking the agreed milestones.

3. What is required to become accredited

Accreditation is a signed legal licence between the Living Wage Foundation and the employer. There is a formal application process to assure the Foundation that the organisation meets its requirements. For NHS bodies and councils, the practical implications break down as follows.

Directly employed staff

All directly employed staff must be paid at least the real Living Wage - the independently calculated rate, not the statutory 'National Living Wage'. For most NHS pay bands and local authority pay scales, the rate sits below the bottom of the agreed national pay structure, but a top-up may be needed when the real Living Wage rate rises mid-year or where a small number of roles fall below it.

Third-party contracted staff

Accreditation also requires that staff supplied by third-party contractors providing services (typically cleaning, catering, security and grounds maintenance) are paid the real Living Wage when working on the organisation's premises or contract.

The Foundation recognises that some contractors may refuse to work with an organisation on implementing the Living Wage. In that situation, the Foundation will still consider accrediting the employer provided there is a credible, agreed phased plan in place to bring contracts into line.

The employer must also commit that, where a contractor refuses to come on board, the existing service will continue only until the end of the current contract - and that any re-tender will require the contractor to be a Living Wage Employer.

Phased implementation and milestones

Where accreditation is granted on the basis of a phased plan - i.e. rolling the Living Wage out across third-party contracts over time, or as contracts come up for renewal - the accreditation agreement sets out the procurement milestones explicitly. The Foundation checks in regularly to make sure those milestones are being met.

4. Becoming a Living Wage City

In 2018 Cardiff Council convened a cross-sector group to develop an ambitious plan to make Cardiff a Living Wage City. In 2019 Cardiff was recognised as a Living Wage City under the Living Wage Foundation's 'Making Living Wage Places' scheme. In doing so, Cardiff became the first major urban area in the UK to achieve that status.

Achieving and maintaining the status was, and is, a collaborative effort. The Steering Group overseeing the action plan brings together Cynnal Cymru, Citizens Cymru Wales, Cardiff University, Cardiff Council, C3SC, Cardiff and Vale Credit Union, Cardiff and Vale University Health Board, FOR Cardiff and Food Cardiff.

The first three-year action plan (to 2022)

- Increase the number of accredited Living Wage employers in Cardiff to 150 by 2022.
- Increase the number of people working for accredited Living Wage employers to 48,000 by 2022.
- Encourage all organisations in Cardiff to become accredited Living Wage employers.
- Support small businesses to accredit through the Council's Living Wage Accreditation Support Scheme.

The targets were comfortably exceeded, and over 2,000 people in Cardiff received a pay rise as a result of their employer becoming accredited.

Renewed ambition: subsequent action plans

After exceeding the 2022 targets, the Steering Group set new ones for April 2024: 260 accredited Living Wage employers, 85,000 employees working for accredited employers, and 10,500 workers receiving a pay rise to at least the real Living Wage. South Wales Police accredited during this period, taking the Cardiff Public Services Board close to full coverage.

A subsequent three-year plan, announced during Living Wage Week 2022, set a target of 300 accredited employers in Cardiff, employing 95,000 staff, with 13,900 workers having seen their pay uplifted to the real Living Wage. By that point, Cardiff University had estimated that almost an additional £50 million had flowed into the Cardiff economy through Living Wage uplifts since 2012.

5. Lessons for NHS and local authority colleagues

Cardiff's experience suggests several practical lessons for public sector organisations considering accreditation:

- Expect a six-month run-in. Cardiff & Vale UHB's experience suggests workforce and procurement teams need around six months to gather contract data and begin substantive conversations with service providers.
- Pair HR and procurement from the start. The pay top-up for directly employed staff is straightforward; the harder work - and the bulk of the impact - sits with contracted services such as cleaning, catering, security and grounds maintenance.
- Use contract renewal as the lever. Both Cardiff University and Cardiff & Vale UHB extended the Living Wage to contractors' employees as contracts came up for renewal, absorbing the additional cost rather than waiting for the market to deliver it.
- Phased plans are accepted. The Living Wage Foundation will accredit organisations that have a credible, time-bound plan to bring contracts into line, with milestones and check-ins. Perfection on day one is not the standard.
- Visible leadership matters. In every Cardiff example, a senior figure — the Vice-Chancellor, the Council Leader, the Chair of the Health Board — publicly championed accreditation and stayed connected to the work.
- Worker voice is persuasive. The Cardiff University campaign turned on testimony from cleaners about life on the minimum wage. For NHS and council audiences, listening directly to lower-paid colleagues - including staff employed by contractors - is both ethically and politically powerful.

- Use accreditation as a platform, not an end. Cardiff's anchor institutions used their own accreditation as a starting point to encourage other employers across the city, supported by a coordinated steering group and an accreditation support scheme for small businesses.

References:

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