

Response to The Mayor of London's Good Work Standard Call for Evidence

07 August 2017

INTRODUCTION

1. London Chamber of Commerce and Industry (LCCI) is the largest capital-focused business advocacy organisation, representing the interests of over 3,000 companies from small and medium-sized enterprises through to large, multi-national corporates. Our member companies operate within a wide range of sectors across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.
2. As the voice of London business we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and the GLA, Parliament and the media, as well as relevant international audiences. Through member surveys and commissioning research, LCCI seeks to inform and shape the debate on key business issues.

OVERVIEW

3. Workplace standards have improved significantly over the last few decades, with major strides taken to make workplaces fairer and more inclusive, to the benefit of both employees and employers.
4. London's businesses have a clear economic interest in making the city an attractive place to work and live. The capital's ability to recruit and retain talent remains one of the underlying factors that contributes to the city's global competitiveness and, in the face of stiff competition, businesses that deliver on, for example, excellent working conditions, high quality apprenticeships and fair pay are best placed to stay ahead in the global race.
5. Many London firms are, however, under pressure. Amid heightened concerns over rising inflation, current uncertainty - both domestic and regarding the UK's future relationship with the EU - is putting a strain on London businesses. The capital's businesses have recently had to absorb several additional business costs, including disproportionate business rates rises, the introduction of the Apprenticeship Levy and Immigration Skills Charge, and increases in the National Living Wage. In this context, the UK's flexible labour market remains a great source of strength and competitive advantage.
6. LCCI recognises the principle underpinning proposals for a Good Work Standard in London, and welcomes any additional support for businesses to make London an even better place to work. However, whilst best practice can be supported and encouraged, any standard should remain aspirational and recognise through its implementation, administration and communication that many business, particularly smaller ones, might struggle to meet some or all its requirements. Those businesses should not be stigmatised.
7. In this response, LCCI will focus on three key questions that arise from the proposal, namely:
 - What are the challenges in implementing the policies and goals of the Good Work Standard?
 - What can the Mayor do to make employers more likely to sign up to the Good Work Standard's goals?

- How should the Mayor recognise employers who sign up to the Good Work Standard?

WHAT ARE THE CHALLENGES IN IMPLEMENTING THE POLICIES AND GOALS OF THE GOOD WORK STANDARD

8. Each business is different and employers will adopt and adapt many 'responsible business practices' to ensure good working conditions. The proposals rightly identify the challenges SMEs and start-ups might face in implementing the guidelines, and at what pace, underlining the importance of the voluntary aspect of the scheme.
9. In the current economic climate, many businesses are struggling to absorb the rising costs of employment, and confidence remains shaky. In LCCI's most recent quarterly business survey, published in July, the *Capital500*¹, we found that despite positive expectations for future profitability and turnover, businesses are, on balance, pessimistic about their company's overall prospects as well as those for both the London and UK economy. In this context, it is important that government sends positive signals to London firms that it is addressing core issues such as addressing the domestic skills gap, investing in transport and housing infrastructure and backing reforms to improve the business environment, e.g. through reforms to business rates.
10. It is also important that initiatives like the Good Work Standard are implemented in partnership with businesses and do not become a vehicle to place further pressure on those businesses and firms unable to participate.

WHAT CAN THE MAYOR DO TO MAKE EMPLOYERS MORE LIKELY TO SIGN UP TO THE GOOD WORK STANDARD?

11. To ensure success, The Good Work Standard must be informed and led by the business community. This can be achieved through a consultative approach, one that recognises the wealth of knowledge and experience that can be gained from frontline business insight. Businesses will be more likely to sign up to The Good Work Standard if the guidelines remain practical and reflective of their needs and situation.

HOW SHOULD THE MAYOR RECOGNISE EMPLOYERS WHO SIGN UP TO THE GOOD WORK STANDARD'S GOALS?

12. We welcome the understanding that not all employers will be equipped to achieve the same standards, so that consequently any system of recognition might reflect different tiers or levels of achievement. As emphasised above, the intention of the programme and how it is communicated should be to support businesses and celebrate best practice, not 'name and shame' those unable to participate.

Further Information

LCCI would be happy to clarify or provide further comment on any matter raised within this response. Please contact:

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¹ <http://www.londonchamber.co.uk/docimages/15143.pdf>

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