

Consultation on Developing a GM Good Employer Charter: Evidence Paper

Summary

Why are we developing a GM Good Employer Charter?

Greater Manchester has world-leading businesses and sectors, investing, innovating and growing. They have created a record number of jobs in our city region. Our public services and voluntary and community sector – despite the cuts to funding they have faced – are using devolution and closer partnership to find new ways to better serve the public. Across all sectors, employers are providing good jobs, which are well-paid, secure and with opportunities to get on.

But we can do better. On average, our businesses are less productive than others in the UK, and even further behind London and the rest of the world, while our public services and voluntary and community sectors face social challenges of increasing complexity and scale. And too many of our residents are in low paid and insecure work, unable to fulfil their potential, get a home or provide a secure start for their children.

These challenges are linked. As good employers across Greater Manchester tell us, **the route to leading the competition and growing is to get the best from their employees** with fairly-paid roles, responding flexibly to make use of their skills and strengths, and providing excellent opportunities.

That is why we are developing a GM Good Employer Charter – to support employers to reach best practice, helping them to grow and provide the good jobs we need.

How will the Charter be developed?

The Charter will only deliver this aim if it is developed with employers, employees and others – drawing on the best available expertise and experience. It is therefore being drawn up through a process of ‘co-design’, with close engagement at every stage. While we can set out our goals, only our businesses, public servants, volunteers and residents can find a route to reach them.

We also want to make sure **the Charter draws on the best available evidence.** The districts which make up Greater Manchester already have established programmes to

support and encourage employers to make the city region a great place to live and work. Other cities and regions across the UK are developing their own approaches. Our universities have cutting-edge research to help us understand the challenges we face and develop solutions.

What do other Charters include?

Existing Employer Charters cover areas such as encouraging fair pay, promoting good job design, offering skills and training opportunities, employee engagement and healthy workplaces. Specific commitments often include the payment of a real Living Wage, commitments to security in hours worked, and developing the role of trade unions and worker representation. Other national challenges which Charters can seek to address include reducing the gender pay gap, ending differential rates of pay for young people and apprenticeships which do not match their contribution, and providing wider opportunities to increase diversity and make workplaces more representative and inclusive. They can be also used to achieve broader social and economic objectives by creating local employment opportunities for people struggling to get jobs, such as those with a long-term health conditions, to encourage engagement with schools, and to retain profits locally and improve environmental sustainability.

The evidence also shows that existing Charters attempt to combine ease of signing up for employers with commitments which are stretching. They can also look to vary their commitments by the size of employer or the sector they are operating in.

How can you have your say?

To draw on this experience and evidence we are consulting on a series of questions

– set out below – on what should be in a GM Good Employer Charter and how it should work. Responses would be welcome by 13th April 2018, and can be submitted via www.surveymonkey.com/r/GMgoodwork.

We're keen to hear from employers and employees of all sizes and from all sectors. Therefore we'd be grateful if you would share the survey link with your professional networks and contacts.

We will use the responses to these questions and the evidence we have gathered to start drafting a Good Employer Charter for Greater Manchester. We will then publish the draft Charter for further consultation, to make sure that it will support our

businesses to grow, our public and voluntary and community services to continue to improve, and create the well-paid, secure and fulfilling jobs our city region needs.

If you would like more information about the GM Good Employer Charter, please email goodwork@greatermanchester-ca.gov.uk.

Part 1: The Ambition

- 1.1 The refreshed Greater Manchester Strategy was launched in October 2017 by representatives of Greater Manchester’s businesses, voluntary and community and social enterprise sector, and civic leaders.¹ The Strategy is driven by a vision to make Greater Manchester one of the best places in the world to grow up, get on and grow old, including as a place where people are proud to live and have a fulfilling job, and a place of ideas and invention with a modern and productive economy.
- 1.2 That vision can only be delivered if the people of Greater Manchester can all benefit from economic growth and the opportunities it brings throughout their lives. It requires the underlying barriers to participation and productivity – around public services, education and skills, and infrastructure – to be tackled, engaging communities to harness their ideas, energy and determination. Only then will we ensure that all parts of the city-region and all our people can contribute to, and benefit from, economic growth.
- 1.3 The Strategy sets out ten priorities, which all have a role to play in delivering this sort of inclusive growth. For example, ensuring that children start school ready to learn and leave school equipped for life is vital for increasing the chances of them going on to a fulfilling and well-paid job. Healthy lives are key to staying in work, while a green city region is needed to create jobs which are both productive and sustainable. In particular, the Strategy describes the importance of good jobs, with opportunities for people to progress and develop, and a thriving productive economy in all parts of Greater Manchester.

Good jobs, with opportunities for people to progress and develop

- 1.4 Good quality, well-paid work – and connecting our residents with those jobs – is critical for the economic and social success of Greater Manchester. Age, gender, sexual orientation, race, disability, caring responsibilities, or socio-economic background should be no barrier to success. Releasing the potential of our all residents who can get jobs and progress in work is vital for growing our economy.
- 1.5 Employers need to be at the heart of creating good jobs. This means providing people with the opportunities to train and progress in work, with secure work when they need

¹ Greater Manchester Strategy, October 2017.

it, but flexibility to fit their individual circumstances. The rights of employees and employers need to be protected and Greater Manchester needs to be at the forefront of employment standards and workplace innovation so that it is universally recognised as a great place to work.

- 1.6 The Greater Manchester Strategy also commits to work more closely with employers and anchor institutions (for example, universities, hospitals and local authorities) to deliver local economic benefit. This will include employing more local unemployed residents, increasing the amount they spend in their supply chains with small and medium sized enterprise (SMEs) and social enterprises, and offering volunteering, mentoring and work experience opportunities.

A thriving and productive economy in all parts of Greater Manchester

- 1.7 To create a thriving, inclusive economy we need to raise productivity by harnessing the strengths of Greater Manchester's people, assets and places. In the 2017 Autumn Budget, the Government and Greater Manchester agreed to work together to develop a Local Industrial Strategy. This will be a long-term vision for growth, based on robust evidence and focused on raising productivity and earning power in the area. It will set out how Greater Manchester will work in partnership with Government to support the key foundations of productivity, such as raising skills levels across the area. The strategy will reflect the main themes of the national Industrial Strategy, but also take a place-based approach that builds on Greater Manchester's unique strengths.

Part 2: The Challenge

- 2.1 Greater Manchester has world-leading firms and sectors, which can help deliver these priorities. Recent analysis of Greater Manchester's sectors, part of New Economy's 'Deep Dive' research on the city region's economy, found that the city region has concentrations of specialised and distinctive economic activity that has the potential to drive future waves of economic growth. These include:
- Business, finance and professional services – including legal and accounting, insurance, and business services;
 - Manufacturing – including advanced materials, textiles, chemicals, food & drink, and firms with a role in national supply chains;
 - Health innovation – including life sciences, med tech/devices, health services;
 - Digital – including media/creative and data analytics.
- 2.2 These findings – along with the energy sector – align with the conclusions of the Northern Powerhouse Independent Economic Review. These strengths are being developed further:
- Two Digital Summits have now been held, bringing together the private, public and voluntary community sectors to decide how to develop a strategy and action plan for making Greater Manchester a world leading digital city region that uses digital technology to support businesses and investment, create jobs and opportunity and improve outcomes for residents;
 - Building work has almost been completed on the new £60m Graphene Engineering Innovation Campus (GEIC) which will accelerate the commercial pace of graphene and two-dimensional materials, in collaboration with world-leading academics;
 - The Spinningfields development has attracted a number of UK and international financial and professional services firms.
- 2.3 However, despite evidence of dynamism and innovation, the fact remains that skill levels, and indeed productivity, are lower than elsewhere in the UK. In addition, the prevalence of insecure work in Greater Manchester – insecurity both in people's finances and time – shows that there is a long way to go before growth is truly inclusive. Technological advances are also likely to lead to significant changes in job content, while the UK's departure from the EU is likely to create upheaval in the UK's labour market.

- 2.4 Across the UK, real pay has stagnated since the financial crisis. Analysis by the Resolution Foundation has shown that nominal earnings experienced a step change at the start of the crisis in 2008, falling from a pre-crisis norm of around 4 per cent to barely above 1 per cent. Rising prices have therefore squeezed living standards. Real pay fell sharply for three years after the start of the crisis. There was a temporary rebound in 2015 but another squeeze began in 2017. From the point of view of pay, the past decade has been a historically bad one.²
- 2.5 In Greater Manchester, between a fifth and a quarter of the labour force are low paid.³ Temporary and insecure work have also become a growing part of the labour market – partly through the development of the ‘gig economy’ – which provides welcome flexibility for some, but insecurity and stress for others. Nearly half the new jobs created in Greater Manchester since 2012 were “non-standard”, such as self-employment, agency, temporary and zero hours. Research by the TUC has found that insecurity is concentrated among those groups that already face labour market disadvantage: women, black and minority ethnic workers and those in poorer regions of the UK.⁴
- 2.6 The Taylor Review of Modern Working Practices, commissioned by the Government (July 2017), found that while the UK’s labour market is currently looking strong, and flexibility is likely to have played a role in its current success, there exist a number of factors that could lead to poorer outcomes at the individual level. It picked out ongoing challenges around underemployment, continuing poor real wage growth, poor productivity performance, the emergence of new business models, skills mismatch and increasing automation.⁵
- 2.7 Again, these challenges are prevalent in Greater Manchester. For example, around 30,000 workers are on Zero-Hours Contracts.⁶ There is much more to do to ensure that there is a clear pathway for young people to follow to reach their full potential, while insecurity at work undermines other Greater Manchester priorities as well, such as improving school readiness. As the Resolution Foundation have said, as the National Living Wage increases and covers more employees, creating progression opportunities in growing sectors such as retail, health and social care, and logistics is

² Resolution Foundation, Low Pay Britain, October 2017.

³ New Economy, Low Pay and Productivity in Greater Manchester, New Economy, August 2016.

⁴ TUC, The Gig is Up: Trade Unions Tackling Insecure Work, June 2017.

⁵ Good Work: the Taylor Review of Modern Working Practices, July 2017.

⁶ Office for National Statistics, Labour Force Survey, Zero-hours contracts data tables, April to June 2017. Data are not available for Greater Manchester alone.

vital.⁷ Other sectors such as hospitality are also large employers but with relatively low pay.

- 2.8 Employment opportunities can also be limited both for specific communities and for young people, over 50s and disadvantaged groups. Almost one in three people aged 50-64 are out of work, significantly above the national average while more than a fifth who are in work are in low paid jobs such as warehousing or care work. Less than half of working-age disabled people are in work in Greater Manchester while six Greater Manchester authorities have less than 3 per cent of people with learning disabilities in employment, less than half the rate nationally.
- 2.9 Healthy life expectancy in Greater Manchester is currently three to four years below the national average for men and women and there are significant inequalities in health outcomes between our most and least disadvantaged residents.⁸ Promoting good employment practices and healthy workplaces is therefore key to supporting workers to thrive, reducing sickness absence and improving productivity. There is a growing body of evidence showing the best approaches to dealing with (mental and physical) health problems and keeping people in work.⁹

Engaging Employers

- 2.10 For Greater Manchester, and the UK as a whole, the focus needs to be on raising growth and productivity, while improving social and economic inclusion. A central reason why the UK's economy punches below its weight, and does not currently work for all people and places, is because the national approach to growth has not been place-focused.
- 2.11 The Local Industrial Strategy being developed by Greater Manchester and the Government provides the opportunity for a place-led, devolutionary approach to driving local economic growth. It will be co-designed with businesses and residents, as well as Central Government, and be launched in April 2019. Building on the position of Greater Manchester at the forefront of the devolution agenda, it will provide the framework of support which firms need to grow in the city region, breaking down barriers to enterprise and investment. It will draw lessons from the approaches

⁷ Resolution Foundation, New Order: devolution and the future of living standards in Greater Manchester, November 2016.

⁸ Analysis based on ONS, Health state life expectancy at birth and at age 65 by local areas, UK, December 2017.

⁹ See, for example, Evaluation of the FFW pilots 2010-2013, DWP, 2015.

already being taken across Greater Manchester, based on our track record of innovation based on rigorous evaluation. Support for employers has already been developed in a range of areas, for example:

- The Greater Manchester Combined Authority and Local Enterprise Partnership have recently launched Bridge GM (bridgegm.co.uk) to link employers, the education system, and young people. The aim is to grow the largest possible network of business, education and careers professionals to prepare and inspire Greater Manchester's young people to be ready for the world of work through a world class careers programme. Employers can get involved by offering inspiration, experience of the workplace, becoming a mentor, joining a governing body, or providing strategic guidance;
- The Greater Manchester Business Growth Hub is a national exemplar for the delivery of business support service, supporting the creation of 3,200 new jobs which have added £130m of annual GVA to the economy in the last two years;
- Greater Manchester's infrastructure is developing, with Metrolink being the UK's most successful light rail network, Manchester Airport now serving over 200 destinations, more than any other UK airport and an ambition has been set for Greater Manchester to be recognised as a top five European digital city region;
- The Working Well programme, which has successfully integrated services to support the long-term unemployed into work, is being developed to also improve the health and productivity of employees in the workplace and help keep people in work;
- In the public sector, the Health & Social Care Partnership has taken the opportunity provided by the unique devolution arrangements in Greater Manchester to develop a Workforce Strategy. This aims to deliver the fastest and most comprehensive improvements in the capacity and capability of the whole Greater Manchester workforce to improve the health and well-being of the population, through the key priorities of (i) Talent development and system leadership, (ii) Grow our own, (iii) Employment offer and brand(s), and (iv) Filling difficult gaps.

2.12 The Local Industrial Strategy will not only build on the success of these approaches, but also ensure that service reform complements and drives productivity growth. Greater Manchester is in a unique position to do this with the setting up of the Health & Social Care Partnership through the devolution process and the testing and rolling out of innovative approaches to public service reform.

2.13 The Implementation Plan for the Greater Manchester Strategy sets out the next steps in delivering fulfilling jobs and a productive economy. It includes an Employer Engagement Framework and – within that Framework – a commitment is made to

developing a GM Good Employer Charter.

- 2.14 This Charter will support employers in all sectors – private, public and the voluntary and community sector – and of all sizes to become more productive through engagement of their employees, providing more secure jobs with opportunities to develop and higher pay.
- 2.15 The GM Good Employer Charter will be co-designed by local employers, by employees and by residents who want to enter and progress in the workplace to realise their full potential, to ensure that it draws on all the available evidence and experience to deliver the ambitions set out above. The next sections summarises the emerging evidence from research and existing Charters and similar initiatives in Greater Manchester and elsewhere.

Part 3: Evidence

Evidence on Employer Engagement, Higher Productivity and Better Services

- 3.1 Many employers across Greater Manchester report the benefits of a more motivated, productive workforce. A recent survey by the Federation of Small Businesses in Greater Manchester found that 86 per cent of those surveyed agreed a lot with the statement that “my staff are my most precious asset”.¹⁰ Across all sectors, there are striking examples of businesses, public services and voluntary and community groups increasing their productivity and providing better services through offering well-paid and secure work. For example, the payment of the real Living Wage is growing in the city region because, as Greater Manchester Chamber of Commerce have set out, “it is a good business decision thanks to the benefits it can ultimately provide in terms of aspects such as productivity and retention of staff”.¹¹
- 3.2 The evidence that providing secure and well-paid work helps make firms more productive and profitable and the public and voluntary and community sector improve their services is compelling, as the Government’s response to the Taylor Review of Modern Working Practices set out.¹² An assessment of the business case for adopting the living wage, carried out by the University of Strathclyde and the Living Wage Foundation, found a number of potential benefits that specific businesses can realise from implementing the Living Wage which include financial savings such as: reducing staff turnover; increasing worker morale and loyalty; reducing absenteeism; productivity improvements; strengthening recruitment opportunities and providing reputational benefits.¹³
- 3.3 Studies into High Performance Working (HPW) – where more effective employee involvement and commitment aims to achieve high levels of performance – have also found evidence of a robust link between such practices, productivity and profitability, and a range of other performance measures.¹⁴ These practices typically cover job content, degree of work autonomy, workplace environment including regular two-way communication between employees and management, flexible working, training opportunities, a sense of fair treatment and support in coping with pressures outside

¹⁰ Federation of Small Businesses, Survey of Greater Manchester Members, 2017.

¹¹ Greater Manchester Chamber of Commerce, ‘The Living Wage: Stating the Case’, November 2015.

¹² HM Government, Good Work – A response to the Taylor Review of Modern Working Practices, February 2018.

¹³ Coulson, A., and Bonner, J., Living Wage Employers: evidence of UK Business Cases, 2015.

¹⁴ Ashton, D., and Sung, J., Supporting Workforce Learning for High Performance, International Labour Organisation, 2002.

the workplace, especially caring responsibilities.¹⁵

- 3.4 Such employee engagement leads to marked improvements in both employee outcomes – well-being, lower absence, labour turnover, health and safety – and organisational performance measures ranging from productivity and profits, to innovation and customer satisfaction ratings. These results have been found in all types of sectors, including health, where employee engagement was found to be the best indicator of NHS trust outcomes.¹⁶ Research carried out for the Centre for Ageing Better has found that the factors which make work fulfilling are largely similar across all age groups, but older workers tend to look for employment that is personally meaningful, flexible, intellectually stimulating, sociable, age-inclusive and offers any adjustments needed for health conditions and disabilities.¹⁷
- 3.5 However, there are challenges for employers where costs are immediate and measureable but the benefits are longer-term and more difficult to quantify. As the Greater Manchester Chamber of Commerce found “the evidence is almost entirely supportive of the idea that paying higher wages can improve production and quality, although the long-term nature of the benefits make them harder to quantify against the immediate cost increase”.¹⁸
- 3.6 The recognition of this challenge is part of the motivation for the setting up of the Productivity Leadership Group, a business-led organisation created to boost management skills and close the UK’s productivity gap. The group, backed by £13m in seed funding from Government, is engaging employees, managers and leaders in ‘Be the Business’, a movement which will inspire businesses to be the best they can be, providing practical tools to assist them and be a catalyst for change.

¹⁵ For more on HPW practices, see Giles, L. and Belt, V., High Performance Working: A Synthesis of Key Literature, UKCES, Evidence Report 5, 2011.

¹⁶ McLeod, D., and Clark, N., Engaging for success: Enhancing Performance Through Employee Engagement, BIS, 2009.

¹⁷ Institute for Employment Studies and Centre for Ageing Better, What do older workers value about work and why?, February 2017.

¹⁸ Greater Manchester Chamber of Commerce, ‘The Living Wage: Stating the Case’, November 2015.

Charters and Similar Initiatives in Greater Manchester

3.7 Across Greater Manchester local areas are already putting in place initiatives that engage local employers in skills development and fair employment. These initiatives provide lessons for the development of a Greater Manchester Charter. It will also be necessary to develop the GM Good Employer Charter so that it complements these initiatives already in place, rather than duplicating what they are doing and causing confusion for employers. These initiatives include:

- **Bolton Employer Pledge** - the Team Bolton partnership is a multi-agency group consisting of the Council, University, Job Centre Plus, Welfare to Work and training providers and others. It works with local employers to help to improve local people's skills and secure sustainable employment. As part of this work, employers commit to working with Team Bolton on a Bolton Employers Pledge. To date over 400 employers have signed up. Through signing the pledge, employers are asked to make a commitment to skills development and supporting local people into employment. Commitments include recruiting local people, offering mentoring/apprenticeships/work experience, working with schools; sourcing local suppliers and supporting employment programmes for people who have a disability. Last year, over 100 long term unemployed people were recruited via this approach. In return, Team Bolton provide a free of charge one stop shop of employment and skills support to support employers.
- **Bury Means Business** – a key priority for Bury Council is to support the local business community. Bury Council and partners have packaged a range of information, expertise and support to maximise the growth of local businesses. This includes support with workforce development, healthy workplaces, access to finance, growth advice and proactive engagement with schools and colleges. Bury Council has a single point of contact model for all business related enquiries led by a multi-disciplinary Business Engagement Group. This work is overseen by the Bury Business Leadership Group, who are a group of businesses challenging and supporting the Council to embed business-friendly policies in everything it does.
- **Our Manchester**, is providing the context for Manchester City Council to engage with businesses to understand what is important to them and how they wish to contribute. The City's priorities are working with schools and colleges to inspire young people, putting employers at the heart of the education & skills system, connecting unemployed residents to job opportunities, healthy workplaces/workforce, using staff and resources to deliver social value and supporting businesses to grow. Manchester are leading by example, working internally to maximise social value levers as an

employer, commissioner and contract manager – for example, paying all staff the living wage and using procurement to encourage all suppliers to do the same.

- **Oldham Fair Employment Charter** sets out the Council's expectations of what constitutes fair employment. Employers are encouraged to sign up to commitments such as paying a living wage, offering access to training and support which include health related benefits, supporting membership of trade unions and enabling employees to contribute to the local area. It does not have dedicated funding but draws upon the investment that the Council has made in the Get Oldham Working Programme. As of early 2017, 160 employers had signed up to the charter. Oldham have found the charter to be a useful way to start a conversation with employers and identify the support needed to move towards fairer employment practices. However, maintaining momentum and engaging employers in low paying sectors has been challenging.
- **Rochdale** are currently developing their 'Co-operative Council' approach to engaging employers. They have put in place a comprehensive and coordinated offer to business to encourage growth and inward investment whilst maximising the impact for the local residents. Examples include: targeted recruitment services, redundancy support, using social value in Council commissioning and planning conditions to achieve skills and employment outcomes, leading by example as an employer by recruiting residents furthest from the labour market and a healthy workforce programme for businesses. Rochdale both encourage and support businesses to adopt external standards, such as Disability Confident, and have developed a Rochdale Healthy Business Award.
- **Salford City Mayor's Charter for Employment Standards** contains a suite of pledges focused around three categories: creating training opportunities for Salford people particularly those facing the greatest disadvantage, buying Salford goods & services and promoting the adoption of the best possible working practices and conditions. There are different levels of commitment to the charter. Employers can sign up to be a 'charter supporter' if they are working towards implementation of the pledges. To become an accredited 'Charter Mark' holder employers must be able to demonstrate that they are committed to upholding the highest employment standards in the city across the pledge areas. Applications are considered three times a year by an independent panel. As of early 2017, 90 employers had signed up to the charter and 6 had gone through the formal accreditation process. Salford have found that because it requires a very substantive commitment to become accredited relatively few employers have achieved this status. There is also a need to be explicit about the aims

of the charter and the business case for engaging. Also that dedicated resource is needed to support employer engagement and monitoring.

- **Stockport Council** are currently developing their approach in this area. In 2018 they will run a work & skills commission which will engage with employers and other stakeholders on a range of key issues likely to include skills development, good employment practices, and health and wellbeing support for employees. They regularly engage with employers around the CSR agenda and the key learning from this has been to ensure that the business understands the benefits of engaging at the outset. Including employment and skills agreements in new developments often to support the delivery of social value is another way that they have encouraged skills development and fair employment. The Council itself has a 'live well work well' framework that addresses how the Council seeks to be a good employer. 'Gander' is Stockport's approach to support linking young people at college with local employers who can offer work experience, mentoring and other support.
- **Tameside Menu of Choice** - Tameside Council's Employment & Skills Team have developed the Tameside Menu of Choice to link businesses with schools and colleges in the borough. Businesses can tailor their sign up to fit with their capacity and what they are interested in supporting. Opportunities might include attending Tameside's annual careers & apprenticeships exhibition, giving a talk in a schools, providing work experience opportunities for students.
- **The Trafford Pledge** aims to match job seekers with local businesses benefiting both the local community and wider economy. Businesses can access a network of recruitment support by signing up to the pledge. By signing the pledge businesses are committing to offering employment support to local people. This support can include offering a job, recruiting an apprentice, offering work experience, mentoring a young person, practical help, for example with CV writing.
- **The Deal for Business** is an informal arrangement between Wigan Council and businesses which signifies a shared commitment to supporting the economic growth of the borough. The Council have committed to a series of pledges including; providing ongoing support to grow, for example business booster, support with targeted employment opportunities and apprenticeships and traineeships, filling skills gaps through sector academies. In return businesses are asked to play their part, for example employ local residents, take on apprentices, pay business rates on time, give back to

local communities, create healthy workplaces. On signing up, businesses are awarded a 'Wigan Works Deal for Business' certificate to acknowledge their commitment.

- 3.8 Other support for employers is available across the city region. For example, the not-for-profit Manchester based Growth Company has helped to generate hundreds of millions of pounds worth of investment and growth in the North-West, working in partnership with businesses and individuals to boost the economic prospects of people and place. It is dedicated to economic development, inward investment, skills, employment and enterprise, focusing on enabling growth, creating jobs and improving lives. As it develops its productivity programme, there is an opportunity for it to play a key role in supporting the GM Good Employer Charter.

Other UK Charters

- 3.9 Charters and similar initiatives are also being developed in other city regions. In developing the GM Good Employer Charter, there is again an opportunity to learn the lessons from those Charters, where they have been successful and unsuccessful, and explore shared experiences and ideas between UK city regions.
- 3.10 For instance, the Mayor of London is developing a Good Work Standard. Following a call for evidence to inform the Standard in 2017, the Standard is now being developed and is expected to include fair pay and the London Living Wage, excellent working conditions, and diversity in the workplace. Other examples include the Birmingham Business Charter for Social Responsibility, the Croydon Good Employer Charter, the Derby City Council Employment Charter, the Leeds Social Value Charter, the Liverpool Social Value Charter, the Nottingham City Council Business Charter, and the Sheffield Fair City Employer Charter. Initiatives are also being developed at a national level, with the Scottish Government setting up a Fair Work Convention focused on five key principles of fair work: effective voice, opportunity, security, fulfilment, and respect. A summary of these is included in the Annex.
- 3.11 The Government's national Industrial Strategy identifies the "foundational" aspects of job quality and success as overall worker satisfaction, good pay, participation and progress, wellbeing, safety and security, and voice and autonomy. They have started a dialogue with experts, including the Trades Union Congress, organisations like the Chartered Institute for Personnel and Development and business bodies such as the Confederation of British Industry, to identify a set of measures against which to

assess job quality and success.

- 3.12 Other Charter are sector, rather than place, specific. Unison’s Ethical Care Charter lays out specific principles designed to guide behaviour of employers of care workers. The objective behind the Charter is to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which do not routinely short-change clients and ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels. The Charter is clear that its provisions constitute minimum and not maximum standards. Implementation of the Charter is encouraged through highlighting how minimum employment standards can help employers to provide a more cost-effective service (through improved staff retention for example) and help councils to get a better value and higher quality service. A study by the University of Greenwich found that the Charter had made a major impact, setting a ‘new benchmark’ for homecare employment.¹⁹
- 3.13 Also in the health and care sector, the NHS is the largest public sector employer in the country and depends on the effectiveness of its workforce. The NHS Constitution sets out the rights and responsibilities of both staff and patients, but also a number of pledges from the NHS itself to staff such as providing a positive working environment and engaging staff in decisions affecting them and the services they provide.²⁰ Other examples include the NHS Quest accreditation process, which aspires to attract the best staff and retain them through innovative employment practices and an organisational culture in which employees are engaged, supported and developed.
- 3.14 The Inclusive Growth Analysis Unit (IGAUA), part of the University of Manchester, reviewed a series of such local employment charters (the lessons they drew are set out in the Box). They found that the commitments they contain usually fall within two broad themes:²¹
- **Terms and conditions of employment** encompassing fair pay, promoting good job design, offering skills and training opportunities, employee engagement and healthy workplaces.

¹⁹ University of Greenwich, Work Employment and Research Unit, An Evaluation of UNISON’s Ethical Care Charter, October 2017.

²⁰ The NHS Constitution, July 2015.

²¹ Inclusive Growth Analysis Unit, Briefing Paper 2, April 2017.

- **Creating local employment opportunities** particularly for those residents furthest from the labour market e.g. people with a long-term health condition and engaging with schools.

- 3.15 Specific issues around terms and conditions of employment which are often covered in Employer Charters are the payment of a real Living Wage, commitments to security in hours worked, the role of trade unions and worker representation, access to opportunities to develop skills and the creation of healthy workplaces. Other national challenges which Charters can seek to address include reducing the gender pay gap, ending differential rates of pay for young people and apprenticeships which do not match their contribution, and providing wider opportunities to increase diversity and make workplaces more representative and inclusive. Other frequent themes are aspirations to retain profits locally, and to improve environmental sustainability. Through accreditation processes, Charters can attempt to give consumers a role in recognising and supporting good employers in the same way that consumer campaigns have driven business responses on other issues such as tax avoidance. They can also guide employers to sources of support to improve their productivity, such as that offered by ACAS.
- 3.16 Some of these Charters and similar initiatives have formal accreditation or registration processes, while others just set out general aspirations. Some of the more developed models, such as the Ethical Care Charter, use a tiered approach to encourage employers to progress to more comprehensive practices. They also attempt to vary the application of the principles of the Charter in recognition that each member organisation will be unique and linked to the size of organisation and sector they operate in (see the Croydon Charter). Links can be made to local government procurement, for example in the Birmingham Business Charter for Social Responsibility, although this only provides an incentive for the relatively small proportion of employers who are directly involved in the procurement of services and goods by local authorities. In almost all cases there are challenges around take-up, which tends to be at the most low hundreds of employers.

Box: IGAU Lessons from local employment charters in the UK

Partnership Working: Charters depend on the quality of the networks on which they draw. Input from local authorities, businesses, employee representatives and other stakeholders on design, language and framing can help to achieve buy in. A degree of pragmatism may be necessary to arrive at a charter that will engage employers.

Defining the local element of a charter: Defining 'local' benefit should be done sensitively; agreements and commitments may need to extend beyond local authority/administrative borders. Charters can define the terms of engagement across a region or vary across local authorities. Having a local element to delivery can be an advantage where it is possible to tap into local networks.

Balancing flexibility and rigour: Many charters offer employers the chance to sign up whilst they are still working towards the commitments, seeing it as a means to open a conversation with interested employers. While this approach can enable wider engagement, if complicated assessment processes are required to differentiate full- and part- committed some employers may be put off.

Incentives to engage: The accreditation process offers a basic incentive by enabling employers to mark themselves out as a good employer. Accredited schemes may also offer employers 'soft' incentives, such as access to networking events, publicity and toolkits and services that can support charter implementation. Other more 'hard' incentives might include offering employers privileged access to council procurement, encouraging charter employers to access skills funding (such as the Apprenticeship Grant for Employers), or offering a one-off business rate discount to small businesses that sign up.

Design in monitoring: Charters tend to act as a link between different services and policy frameworks and often lack dedicated funding. Resource is needed to track outcomes and some form of monitoring is essential in ensuring that a charter is seen as a valuable on-going commitment and not a one-off box ticking exercise.

Part 4: Issues for Consultation

- 4.1 The GM Good Employer Charter will be co-designed by local employers, by employees and by residents who want to enter and progress in the workplace to realise their full potential. This will ensure that it draws on all the available evidence and experience to deliver the ambitions set out above.
- 4.2 We are therefore inviting views and evidence on what should be included in the Charter. We are interested in hearing from employers across all sectors – private, public and voluntary and community – and of all sizes, and from trade unions, professionals and other experts on employment and workplaces within wider civil society and academic institutions.
- 4.3 As described above, existing Charters cover a range of policy goals and different aspects of employment practice. Preliminary discussions with employers, trade unions, academics and campaigners from across Greater Manchester have also raised a wide range of possible options for the content of the Charter.
- *Question 1: What does a good employer do (or not do)?*
 - *Question 2: What do you want from the Charter?*
 - *Question 3: What should be in the Charter, which employers would have to sign up to?*
- 4.4 The Charter will be voluntary for employers and will need to have a clear relationship with other local and national standards and Charters. In order to be credible and effective, it will also need to be an ongoing commitment for employers.
- *Question 4: How could a GM Good Employer Charter be promoted?*
 - *Question 5: How could employers be encouraged to sign up? What could discourage employers from signing up?*
 - *Question 6: Should different sizes and types of employer be treated differently by the Charter? If so, how?*
 - *Question 7: What should the relationship be between the GM Good Employer Charter and other local and national standards and Charters, to ensure that they are mutually*

reinforcing and avoid confusion for employers?

- *Question 8: How should the application process and ongoing monitoring of the Charter work so that it is straightforward for employers but also ensures that commitments are met?*
- *Question 9: How could the impact of the Charter be measured and who should do this?*

4.5 This consultation document has set out some of the evidence on the link between employee engagement and higher productivity and better services as well as emerging lessons from Charters and similar initiatives which have already been developed in Greater Manchester and elsewhere.

- *Question 10: Is there other evidence which should be considered in the development of the Charter from academic research, practical experience or other sources?*

4.6 We invite you to submit written evidence in response to the questions highlighted throughout this document along with any other information you think we should consider.

4.7 Responses would be welcome by 13th April 2018, and can be submitted via www.surveymonkey.com/r/GMgoodwork.

4.8 Based on the responses to this consultation, a draft of the GM Good Employer Charter will then be co-produced with employers, employees and others, and published for further engagement before a final Charter is produced.

Annex: Summary of Other UK Charters and Similar Initiatives

Birmingham Business Charter for Social Responsibility

The Birmingham Business Charter for Social Responsibility takes the form of a set of guiding principles to which Birmingham City Council will adhere and which it will invite its contracted suppliers, the wider business community, other public sector bodies (including schools), and third sector organisations (including grant recipients) to adopt. Signatories to the charter commit to its principles, either by fully adopting the Charter at the time of signature or alternatively making a commitment to full adoption within a clear timetable.

The charter's principles are:

- Local Employment;
- Buy Birmingham First;
- Partners in Communities;
- Good Employer;
- Green and Sustainable;
- Ethical Procurement.

Concerns about an organisation's compliance are raised anonymously via Birmingham City Council. As of early 2017, the Charter had 391 signatories.

Croydon Good Employer Charter

Croydon's Good Employer Charter is an accreditation scheme aimed at businesses that want to become part of the Croydon Good Employer Network and gain recognition as good employers and responsible business. Entry to the Network is based on compliance with four key aims:

- Pay Living Wage;
- Employ Local;
- Buy Local;
- Include All.

The Croydon Charter acknowledges that the application of its principles will be unique to each member organisation and should be relevant and proportionate to the size of the business and sector they operate in. Applications from businesses outside of Croydon are also welcomed.

As of early 2017, 8 businesses had been accredited and 35 businesses had pledged commitment to the Charter.

Derby City Council Employment Charter

Derby City Council aspires to apply the principles of its Employment Charter to all directly employed staff at the Council and to staff working for companies that the Council have a business relationship with through procurement. The Council also encourages all employers across Derby to adopt the Charter as best practice.

Principles within the charter include:

- Payment of the Living Wage;
- Workforce training opportunities;
- Support for trade union membership.

The Employment Charter does not have a registration or accreditation process and is entirely voluntary.

Leeds Social Value Charter

The Leeds Social Value Charter sets out the city's shared ambition to promote social responsibility, build social capital and deliver social value. The manner in which these will be delivered is articulated through a number of broad principles:

- Add value and deliver, social environmental and economic benefits;
- Work in partnership;
- Create employment and training opportunities;
- Invest the 'Leeds pound' back into Leeds;
- Be sustainable, fair and ethical;
- Recognise the contribution of the community sector.

The Leeds charter is deliberately broad and 'not a set of rules'. Signatories are encouraged to use its principles as inspiration and encouragement, rather than to instigate specific actions.

Liverpool Social Value Charter

Liverpool's Social Value Charter, '10% more', invites organisations from all sectors within the city to adopt its guiding principles, determined by a partnership of organisations from the public and private sector. The Charter is based on the fundamental understanding that integrating social value into decision making not only creates benefits for others but also provides tangible business advantages. Charter signatories commit to its principles, either by fully adopting the Charter at the time of signature or by making a firm commitment to full adoption alongside a development plan.

The Social Value Charter embodies six key principles:

- Local Liverpool Employment;
- It's Liverpool...Buy Liverpool... Buy Social First;
- Supporting Liverpool Communities;
- Good Liverpool Employers;
- Green Sustainable Liverpool;
- Ethical Liverpool Procurement.

Nottingham City Council Business Charter

Nottingham City's Council's Business Charter outlines four key principles which the Council would like the city's business community to adopt. The council has already adopted these principles, which are:

- Support the growth of the local economy;
- Be a good employer;
- Be fair and transparent;
- Be environmentally responsible.

Charter signatories are encouraged to:

- Take an active part in improving the economic, social and environmental well-being of Nottingham;
- Identify outcomes through their commissioning and procurement;
- Commit to the principles as soon as is practically possible to do so.

Scottish Fair Work Convention

Scotland's Fair Work Convention emerged from the independent Working Together Review for the Scottish Government, which looked at progressive workplace policies in Scotland. The Convention looks to a future when 'people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society'.

The Convention has developed a framework for fair work, in co-ordination with a large group of stakeholders, which focuses on five key principles of fair work. These are:

- Effective Voice;
- Opportunity;
- Security;
- Fulfilment;
- Respect.

Unlike other charters, there is no formal accreditation or registration process. Instead, organisations are simply encouraged to adopt the Framework's practices on a voluntary basis.

Sheffield Fair City Employer Charter

Sheffield has asked local employers to support its ambition to become a fair city through their employment practices, recognising that championing fairness is important for the city and also central to recruiting and retaining the most talented individuals and clients and contributing to the best type of economic growth.

Business leaders in Sheffield have therefore developed the Sheffield Fair City Employer Charter, which promotes:

- Improved workplace culture;
- Inclusivity of opportunities;
- Fair pay and employment practices;
- A commitment to improved working conditions;
- Further promotion of the Fair City campaign to other employers.

The Employment Working Group of the Sheffield Autism Partnership has also articulated what these principles mean for autistic adults in the city.

Ethical Care Charter

The Unison Ethical Care Charter lays out specific principles designed to guide behaviour of employers of care workers. The union's objective behind the Charter is to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which do not routinely short-change clients and ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels.

The Charter's commitments are split into three, increasingly comprehensive stages to allow for its gradual implementation:

Stage 1

- Client need to be the basis of visit commissioning;
- Visit time appropriate to each client;
- Homecare workers will be paid for their travel time, their travel costs and other necessary expenses such as mobile phones;
- Visits should be scheduled so that workers have sufficient time to reach their next appointment;
- Homecare workers who are eligible must be paid statutory sick pay.

Stage 2

- Clients will be allocated the same homecare worker(s) wherever possible;
- Zero hour contracts will not be used in place of permanent contracts;
- Providers will have a clear and accountable procedure for following up staff concerns about their clients' wellbeing;
- All homecare workers will be regularly trained to the necessary standard to provide a good service;
- Homecare workers will be given the opportunity to regularly meet co-workers to share best practice and limit their isolation.

Stage 3

- All workers will be paid at least the Living Wage;
- All workers will be covered by an occupational sick pay scheme.

The Charter is clear that its provisions constitute minimum and not maximum standards. Implementation of the Charter is encouraged through highlighting how minimum employment standards can help employers to provide a more cost –

effective service (through improved staff retention for example) and help councils to get a better value and higher quality service.