

Date: 1 March 2019

Subject: Greater Manchester Good Employment Charter

Report of: Andy Burnham, Mayor of Greater Manchester, Councillor Richard Leese, Portfolio Lead for Economy and Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work & Apprenticeships

PURPOSE OF REPORT

To agree the establishment of a Greater Manchester Good Employment Charter, based on the model developed through co-design with employers, employees and others.

RECOMMENDATIONS:

Members are asked to:

- Agree the model for the GM Good Employment Charter set out in the paper.
- Agree that when the detailed work on implementation is complete, a further paper will be provided to the Combined Authority with full revenue implications and identifying funding sources, which could include a limited amount from retained Business Rates as a short term funding source.

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Risk Management – none

Legal Considerations – none

Financial Consequences – Revenue – see recommendations

Financial Consequences – Capital – none

TRACKING/PROCESS	
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Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		No
TfGMC	Overview & Scrutiny Committee	
	Yes	

Introduction

- 1.1 The GMS Implementation Plan included the development of a GM Good Employment Charter in order to help deliver the priorities of ‘good jobs with opportunities for people to progress and develop’ and ‘a thriving and productive economy in all parts of Greater Manchester’. The Charter is being developed through a process of co-design – involving employers from all sectors, employees, districts and other experts.
- 1.2 In March 2018 an Evidence and Consultation Paper was published, developed with input from private and public sector employers, trade unions, districts and others. This set out the evidence on how better employee engagement can lead to higher productivity and better services, summarised existing Charters across GM and the rest of the country, and asked for views on what a Charter should contain.
- 1.3 Responses to that consultation were received from business groups, trade unions, universities, employers across all sectors, and employees. Based on the responses, a proposition was developed for how the Charter should work, with a tiered structure and support available so that employers could progress to higher standards. It set out the key characteristics of good employment, and how existing accreditations, charters and standards could be used to help show best practice and avoid duplication.
- 1.4 A second consultation was published in October 2018, asking for views on the proposition which had been developed. Responses were then used to develop the model set out in this paper, and to decide next steps around implementation.
- 1.5 The proposition set out in this paper was discussed by Economy, Business Growth & Skills Overview & Scrutiny Committee on 8th Feb 2019. Issues raised included the importance of equality and diversity being embedded in the aims of the Charter, the need for buy-in from the private sector, the interaction with other accreditations and standards, and implementation. These are addressed in more detail below.

Proposition

- 1.6 The proposed Charter has a tiered structure, with an initial tier of Supporters, and then Membership, and then Advocates. This will enable it to:
 - Engage a wide range of businesses, public service providers and voluntary and community sector organisations, while
 - Encouraging them to meet higher employment standards by progressing up the tiers, learning from best practice, and thereby improve productivity and service quality.

1.7 There was strong and widespread support for this approach in the consultation, which would also mean support could be provided for progression to higher standards and better outcomes, establishing the Charter as a journey for employers, rather than an assessment at a single point in time.

Supporters

- 1.8 The first tier of the Charter would be for those employers who supported the aims of the Charter and GMS, but were not yet in a position to meet the requirements of accreditation. These supporters would be:
- (a) able to show how they are pursuing responsible business practices and contributing to the city region;
 - (b) sign-posted towards the wide range of existing assistance already available for organisations looking to raise productivity and improving services through better employment practices; and
 - (c) linked together in a Supporters' Network in order to galvanise a movement behind the Charter.
- 1.9 Through the consultation, respondents suggested a number of areas in which supporters could collaborate, through the development of a network of employers.
- 1.10 To ensure Supporters are improving their employment standards, it is proposed that employers within the Supporters' Network will be subject to an annual review of progress, where they will be required to demonstrate how they are working towards – and achieving – improved employment practice, even if they are not ready for full Membership.

Members – Key Characteristics

- 1.11 The next tier of the Charter – Membership – would require employers to demonstrate excellent practice in key characteristics of employment practice. Following feedback in the consultations and engagement with employers, employees and others, it is proposed that the key characteristics of good employment, and requirements for Membership, will be:
- i. Secure work;
 - ii. Flexible work;
 - iii. A real living wage;
 - iv. Workplace engagement & voice;
 - v. Excellent recruitment practices & progression;
 - vi. Excellent people management;
 - vii. A productive & healthy workplace.

- 1.12 Employers would be required to meet high standards in all of these areas to achieve Charter Membership, creating a distinctive GM approach. Feedback to the consultation pointed out that small employers, in particular, might need additional support and recognition of their particular challenges in delivering in each of these areas. In the implementation a sensible degree of judgement will be applied, to ensure that organisations are not unfairly excluded from Charter membership on account of their unique circumstances.
- 1.13 A number of consultation responses highlighted the importance of diversity and equality in the workplace to deliver more productive businesses and better services. As the detailed definitions of excellent practice is developed in each of the areas above, diversity and equality will be embedded in that as a specific goal.
- 1.14 Through the consultation process many examples of other charters and commitments for employers, programmes of support and specific employment policies have been raised. The fact that the Charter will be voluntary means that it is important that employers find it simple to engage with the Charter process and can access the support they need, when they need it. These will therefore be incorporated as areas of good practice which employers can engage with to demonstrate that they are delivering the high standards in the areas of key employment characteristics set out above.

Members - Accreditation

- 1.15 There are many existing accreditations that cover the Charter characteristics, both local and national, raised through the consultation process. Rather than duplicate existing standards, other accreditations will be combined into the GM standard – which becomes an overarching framework for those standards.
- 1.16 The importance of linking to support provided by individual Greater Manchester districts was also underlined. Where charters already exist which are consistent with the GM Charter, there will be reciprocal so that membership of a local charter gives automatic membership of the GM Charter, and vice versa. Where local initiatives take the form of business engagement in work and skills support and delivering local economic and social goals, employers joining the GM Charter will be linked in to this provision.
- 1.17 Incentives to join the Charter will include the celebration of good practice (e.g. through an awards ceremony), mentoring, and embedding the Charter's standards in public procurement and investment through the funds which are directly managed by GMCA.

1.18 The existing Social Value Framework used by GM districts already means that good employment can be included as one of the ways of delivering social value through procurement. Membership of the GM Good Employment Charter will be a way of demonstrating social value through high employment standards across a range of areas in a straightforward way for employers. Organisations will continue to be able to demonstrate high employment standards in other ways as well, if they choose to, as well as the delivery of wider social value such as in delivering environmental and social improvements.

1.19 This will mean that the Charter complements and builds on existing practice, and does not exclude organisations who deliver social value in other ways. As part of the implementation process, there will be piloting of this to ensure that no unintended barriers to good practice are created.

Advocates

1.20 There was strong support for the creation of an Advocates tier. These would be employers who meet high standards in all the key employment characteristics to be Members, and then go out to other employers to encourage them to raise employment standards and join the Charter process.

Next Steps: Implementation, Campaigning & Governance

1.21 The next stage of Charter development will explore exactly where thresholds should be set on each of the key characteristics for Membership. A process of piloting and working through practical examples is likely to be necessary to ensure the thresholds are stretching but realistic.

1.22 Submissions received were clear that creating a strong brand and campaign around the Charter would be key to its success and so options for this are currently being explored.

1.23 A dedicated and independent Charter Unit will need to be established, working with the Growth Company, to liaise with employers and link them to required support, involving the employers, employees and others in the co-design process in its ongoing governance. The resource implications of this are currently being explored.