

**Manchester City Council
Report for Information**

Report to: Economic Scrutiny Committee – 5 September 2018

Subject: Greater Manchester Good Employment Charter

Report of: Head of Strategy and Policy Development, GMCA

Summary

The Implementation Plan for the Greater Manchester Strategy 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’. Following a consultation earlier in the year, asking for views on what a Charter should include, a draft proposition is now being developed for further consultation.

Recommendations

The Committee is recommended to:

1. Note the progress on developing the Greater Manchester Good Employment Charter;
 2. Comment and provide feedback on the developing proposition, set out in this paper.
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Wards Affected: All

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Charter is intended to support employers to become more productive and provide better services through best employment practice.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Charter could include support for progression in the workplace, including by raising skills.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Charter is intended to increase pay and opportunities through spreading high employment standards.

A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Introduction

- 1.1 The Implementation Plan for the Greater Manchester Strategy 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 as part of GM's Employer Engagement work and through a process of co-design – involving employers from all sectors, employees, districts and other experts.
- 1.2 In early 2018, a group of employers from all sectors, employees and districts were engaged to compile an evidence paper and consultation document. The evidence paper described the strengths and challenges inherent to GM's economy; set out the evidence on how productivity could be improved, and better services provided in the public and voluntary and community sectors, through secure and well-paid employment; and summarised existing charters and employment initiatives in GM and the UK.
- 1.3 The evidence paper was published in March 2018 alongside ten consultation questions which asked respondents for broad views on good employment, the structure of a charter and how it could work to deliver the ambitions of the Greater Manchester Strategy. Respondents included the Confederation of British Industry, Federation of Small Businesses, GM Chamber of Commerce, North West Business Leadership Team, Institute of Directors, TUC North West, Joseph Rowntree Foundation, GMCVO and others.
- 1.4 Responses to the consultation provided examples of responsible business and good employment practises already in operation across the city region and proposed for inclusion in the Charter. They also raised some key questions for the co-design process, for example how to ensure that the Charter is straightforward and attractive for employers to join, while delivering ambitious and stretching goals for the city region.

Emerging Proposition

- 1.5 An outline proposition is now taking shape, which will be developed into a draft Charter, to be published for further public consultation shortly.
- 1.6 It is proposed that the Charter has a tiered structure, enabling the Charter 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 This approach 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.

- 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 The next tier of the Charter – membership – would require employers to become accredited. As well as employers demonstrating their contribution to the priorities set out in the Greater Manchester Strategy, accreditation itself would be based around a small number of clear standards drawn from the areas raised in the consultation (remuneration, flexible working, recruitment & progression; access to work; extending good management; productive & healthy work; employment terms & conditions; workplace voice).
- 1.10 There are many existing accreditations in these areas, both local and national. Rather than duplicate existing standards, the proposed approach is to combine other accreditations into the GM standard – which becomes an overarching framework for those standards. This would create a distinctive GM approach, where an employer would have to meet high standards across a range of areas, but with each of the standards measured through existing accreditations run by others.
- 1.11 As well as reducing duplication, this approach would also require fewer resources than setting up a whole new process which would then need to be monitored and enforced. However, resource would still be needed for activities such as promotion, branding, and overseeing the accreditation process.
- 1.12 A third tier, beyond membership, could be also created, offering more stretching targets for employers that would like to improve their practice further. These employers would be identified as advocates for the Charter and would help to shape its ongoing development.
- 1.13 Signing up to the Charter process would help employers navigate the wide range of support available to organisations, and share good practice with their peers. Other incentives to join the Charter process suggested by respondents to the consultation included the celebration of good practice (e.g. through an awards ceremony), mentoring, and embedding the Charter's standards in public procurement. The current review of the GM social value framework has provided an opportunity to consider a potential role for the Charter as a way of measuring social value. Financial incentives were also raised in the consultation, but the general view has been that such incentives would be difficult to target and mean employers signing up without being fully committed to the Charter and therefore undermining its impact.

- 1.14 Where local Charters already exist within GM's districts, reciprocal arrangements would be introduced. Where local initiatives take the form of business engagement in work and skills support and delivering local economic and social goals, the GM standard could be used to link employers to this provision.
- 1.15 Based on feedback from the consultation an Independent Panel could also be set up to oversee the running of the Charter and its development over time – as it keeps up with best practice. This would be made up of employers, employees and other experts, and draw on feedback from the evaluation of the Charter.

Next Steps

- 1.16 Engagement will continue with employers, employees, campaigners and others to develop and refine this proposition and prepare another public consultation document setting out the draft Charter to be published shortly.
- 1.17 Depending on the outcome of that consultation, a final Charter is expected to be produced by the end of the year.