

A Draft Good Employment Charter for Greater Manchester

- Greater Manchester must be a place where people can fulfil their ambitions.
- That means making it a place where people want to live and work, whether they are setting up their own business or working as an employee.
- We are therefore setting out a vision of good employment – jobs which are secure, fairly paid and fulfilling, with opportunities to progress and develop.
- Good employment is a win-win for Greater Manchester’s employers – whether they are in the private, public or voluntary and community sectors – because employers who are the best at engaging and supporting their employees are the most successful.
- Good employment is:
 - Flexible working for those who need it, but security and predictability for those who want it and are working regular hours, with no place for exclusive contracts which stop people on flexible contracts working for others.
 - A job which is fairly paid, providing a secure route to a decent living standard.
 - A job where the voice of employees is valued so that they can shape their roles and contribute to the success of the organisation.
 - Fair opportunities to get a job, develop and progress, whatever your circumstances, background or challenges you face.

1. Foreword

- 1.1 This draft Charter is the product of a process of co-design with organisations across Greater Manchester and beyond. We are grateful to all those organisations and individuals who responded to our initial consultation in April 2018, whose responses have informed this proposition. Building on that consultation, we have spoken to employers, business groups, trades unions, professional bodies, campaign groups, academics and others to understand their aspirations and inform the development of the Charter. Through this process of co-design and consultation, the proposal for the Charter will continue to develop, reflecting the range of views received.
- 1.2 We would like to thank all the organisations engaged in this process so far, including: the CBI; the Chartered Institute for Personnel & Development; the North West TUC and constituent trade unions; the Federation of Small Businesses; the Greater Manchester Chamber of Commerce; the North West Business Leadership Team; Greater Manchester Centre for Voluntary Organisation; the Growth Company; the Living Wage Foundation; Timewise; the University of Manchester; Manchester Metropolitan University; ACAS North West; Be the Business; the Behavioural Insights Team; the Joseph Rowntree Foundation; the Fawcett Society; the Centre for Ageing Better; GM Poverty Action; the Greater Manchester Health & Social Care Partnership, and the 10 Greater Manchester Councils.
- 1.3 We would also like to record our thanks to our counterparts in local authorities across the country, working on similar initiatives, who have provided helpful input and alternative perspectives, including at: the Greater London Authority; the Liverpool City Region Combined Authority; the North of Tyne Combined Authority; the London Borough of Croydon, and Salford City Council.

2. Summary

- 2.1 Greater Manchester's employers have been at the heart of the city region's resurgence. Many of our businesses are not only innovating, investing and growing, but are working with schools and communities to provide hope for our young people. They are improving our environment, making Greater Manchester a great place to live. In the public, voluntary and community sector employers are building on the success of devolution to find new ways to collaborate and provide services focused on the potential of individuals rather than the silos of traditional services.
- 2.2 This growing movement of organisations – succeeding and acting responsibly – can now be harnessed to provide better employment across our city region. While employment growth has been strong, too many of our residents are in low paid and insecure roles with little opportunity to progress. Our ambition is to extend the excellent employment practice in some sectors and employers more widely. As many employers will testify, engaging employees brings significant benefits – lower turnover of staff, a more motivated and dedicated workforce, and new insights, ideas and perspectives to help an organisation succeed. The evidence is that businesses that support and invest in their employees are more profitable, add more value, and are better respected.
- 2.3 Excellent employment practice also helps Greater Manchester succeed. The opportunity to progress through secure and fulfilling work brings health as well as financial benefits. Higher pay reduces poverty and the social deprivation which it brings. It gives young people hope and confidence that Greater Manchester offers them the opportunity to succeed.
- 2.4 The Greater Manchester Good Employment Charter aims to build a movement of employers behind these ambitions – engaging widely at the same time as setting challenging standards. The proposal has been designed with employers, employees and others, and will be a key part of the Local Industrial Strategy being developed for the city region.
- 2.5 The Charter would be for all employers – the public and voluntary and community sectors as well as Greater Manchester's businesses. It sets out a tiered approach of supporters, members and advocates, through which employers can access the support they need to provide excellent employment.
- Supporters would sign up to the aims of the Charter and the wider Greater Manchester Strategy;
 - Members would show they are meeting excellent employment practice; and

- Advocates would use their experience to spread excellent and innovative practice, working with other employers and showing what can be achieved by employers of different sizes and in different sectors, facing different challenges.

2.6 Charter Members would demonstrate excellent practice across some or all of six areas:

1. **A real Living Wage** so that an employee can achieve a decent living standard;
2. **Flexible working** for those who need it, such as employees with caring responsibilities, but security for those who are working regular hours;
3. **Workforce engagement and voice** in the workplace, so that employees can wherever possible shape their own roles and the direction of the organisation, being able to engage through the independent collective voice of the workforce, with facilitated trade union activity and formally recognised unions where possible;
4. **Excellent people management practices**, including valuing older workers and managing pregnancy and maternity in the workplace;
5. **A productive and healthy workplace**, including adjustments for people with long-term conditions and disabilities and support for better mental health;
6. **Excellent recruitment practices and progression** in the workplace, including through engagement with schools, well-paid apprenticeships, transparent and open recruitment and skills development for employees.

2.7 The Charter will need to be simple and straightforward for employers to take part. That means it is important not to set up a new and bureaucratic accreditation system. Therefore, to avoid duplication and introducing new complexities, employers who have already signed up to existing standards and accreditations – local and national – would be able to use those standards they already have to demonstrate excellent practice. And as well as being able to access the wide range of support available in Greater Manchester to improve employment practice, Charter Members would be able to use their membership to demonstrate social value when competing for public sector procurement opportunities.

2.8 The Charter will need to develop and change as understanding of best practice changes. An independent panel, made up of employers, employees and others, could oversee the Charter and its development over time.

2.9 This consultation seeks views on the proposal put forward and the detail of how it would work in practice.

3. Introduction

- 3.1 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.
- 3.2 That vision can only be delivered if businesses can thrive, the public and voluntary sector can deliver high quality services, and the people of Greater Manchester can all benefit from economic growth and the opportunities it brings throughout their lives. 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.
- 3.3 Responsible employers in Greater Manchester are playing a substantial part in delivering the Greater Manchester Strategy, shaping a place where people want to live and businesses want to set up. For example, businesses are working to reduce congestion in the city region through the Greater Manchester Congestion Deal, launched in March 2018, which asked organisations to encourage their employees to take public transport and to facilitate working from home or at different times to reduce the burden on the road network. Through the BridgeGM programme, businesses are linking with education leaders and careers professionals, to provide young people with a careers programme fit for the modern economy. Two Digital Summits have seen businesses from the city region’s digital sector come together to crowdsource and drive a new Digital Strategy. Employers have been delivering the ambitions agreed by the Green Summit, which saw the launch of a campaign to rid Greater Manchester of single-use plastics and brought forward the date by which Greater Manchester aims to become carbon neutral. Meanwhile, the Greater Manchester Homelessness Business Network is bringing together businesses from across the city region to tackle homelessness and provide emergency resources to assist in giving everyone in Greater Manchester a bed every night.

¹ Greater Manchester Strategy, October 2017.

- 3.4 Following the publication of the Greater Manchester Strategy, it was agreed in the 2017 Autumn Budget that Greater Manchester and the UK Government would 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.
- 3.5 The Local Industrial 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. An independent panel is assessing the evidence base for the Local Industrial Strategy, examining the city region's key assets but also the challenges it faces. The panel will report in early 2019. Alongside this work, a consultation process will shortly be launched, engaging businesses and others directly in the development of the Local Industrial Strategy.
- 3.6 One of the core challenges which the Local Industrial Strategy is looking to address is the productivity gap between Greater Manchester and other parts of the UK – particularly London. In addition, there is a prevalence of insecure work in Greater Manchester – insecurity both in people's finances and time. These challenges are closely linked. 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.² Unleashing the potential of Greater Manchester's residents, raising their skills and opportunities to progress, would make businesses more productive and raise the quality of services provided by the public and voluntary and community sector. At the same time, more productive firms would be able to better reward their employees.
- 3.7 Recognising the key link between good employment and productivity, the implementation plan for the Greater Manchester Strategy set out that a Greater Manchester Good Employment Charter would be developed, in line with the Mayor's manifesto commitment. In order to ensure that it draws on best practice and involves employers and employees at every stage – which is vital to its success given the Charter will be voluntary – it was agreed that it would be developed through a process of co-design, engaging employers, employees and others from the start.

² HM Government, Good Work – A response to the Taylor Review of Modern Working Practices, February 2018.

Process So Far

- 3.8 The first step in developing the Charter was the publication of a paper in March 2018 which set out the evidence around the links between employee engagement and the success of employers, and asked for views on a range of questions on the design of the Charter.
- 3.9 The assessment of the evidence showed that while Greater Manchester has world-leading firms and sectors, with concentrations of specialised and distinctive economic activity that has the potential to drive future waves of economic growth, 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. Between a fifth and a quarter of the labour force in Greater Manchester is 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. 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.
- 3.10 The paper went to show the compelling evidence from employers that providing secure and well-paid work helps make firms more productive and profitable, and helps the public and voluntary and community sector improve their services. This included 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 instance, 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”.⁴
- 3.11 Across Greater Manchester, and the UK as a whole, 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 be necessary to develop the Charter so that it complements these initiatives already in place, rather than duplicating what they are doing and causing confusion for employers. The paper therefore assessed the

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

⁴ Greater Manchester Chamber of Commerce, ‘The Living Wage: Stating the Case’, November 2015.

Charters and similar initiatives which are already in place across Greater Manchester, and examples of Charters which have been developing other parts of the UK.

3.12 Finally, the paper invited views and evidence on what should be included in the Greater Manchester Good Employment Charter.

Box 3.1: Questions in the First Consultation Document

- 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?
- Question 4: How could a GM Good Employment 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?
- Question 7: What should the relationship be between the GM Good Employment 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?
- 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. Summary of Consultation Responses

- 4.1 The first consultation on the Greater Manchester Good Employment Charter received around 120 responses, split evenly between representatives of the public, private and not-for-profit sectors. Employers and employees responded from organisations ranging from fewer than 10 employees up to more than 1,000 employees, and from across a range of sectors. As well as individual employers and employees, respondents included business representative groups; trades unions; universities and other research institutions; public sector employers; campaign groups; and voluntary and community sector bodies.
- 4.2 The responses to the consultation provided a wide range of views on the characteristics of good employers and therefore on the characteristics which ought to be included in an Employment Charter. There was widespread support for a simple and straightforward Charter, but also for an ambitious Charter that stretched employers and advocated the very best practice. Finding a way to deliver these two ambitions has been a goal in our design of the Charter.
- 4.3 The consultation's request for suggestions of employment characteristics that the charter should include produced a wide range of views. Remuneration of employees was a key issue raised by many with payment of the Real Living Wage a common feature of responses. Many respondents argued that accreditation with the Living Wage Foundation should form a key part of any Charter process, although others raised reasons why they could not accredit with the Living Wage Foundation, for example because they were locked into long-term contracts with sub-contractors where the Real Living Wage was not being paid, even where it was being paid to direct employees. Other remuneration issues raised were levels of pay inequality within organisations, pay gaps between different groups and the role that credit unions can play in supporting employees. The publication of gender pay gaps by larger employers has provided a mechanism for measuring progress in closing these gaps, while pay gaps at different age groups (both for older and younger workers, e.g. while doing apprenticeships) were also highlighted.
- 4.4 The importance of flexibility around the working day (including for carers) was highlighted, as was preventing the unwanted, enforced flexibility that can arise from some zero-hours contracts.
- 4.5 Open and transparent recruitment practices were highlighted as being important features of a good employer, as well as training and development opportunities for employees so that they can progress. These were linked to increasing access to work, both by hiring apprentices and supporting back-to-work programmes for those

residents of Greater Manchester who are furthest from the labour market.

- 4.6 The role of good management was frequently raised including having a robust system of performance management and a proactive approach to increasing diversity and inclusion. The need for managers to be aware of, and act on, different forms of discrimination and harassment (for example during pregnancy or because of ethnic background or disability) was raised by many.
- 4.7 A productive and healthy working environment was seen by many as characteristic of a good employer, with adjustments for those with long-term conditions and disabilities, and a safe and comfortable working environment for all employees. Improving mental health and reducing stress in the workplace was seen as a growing challenge, linked to the need for fair remuneration, and job security.
- 4.8 Some respondents raised the promotion of understanding of existing employment laws and leave entitlements above the legal minimum. It was proposed that membership of the Charter should be contingent on an employer not having a tribunal finding against them in the last three years, although others have pointed out that this would then exclude some of the employers who it would be beneficial to engage in the Charter process so that they then improve standards.
- 4.9 Respondents also thought that involving employees in the development and direction of an organisation is an important characteristic of good employers. There are a variety of mechanisms for workforce engagement and giving voice to employees including trade union recognition. There was a range of views on trade union recognition, with some respondents seeing it as a key requirement of a good employer, while others pointed out that some sectors have little or no trade union organisation, and that including recognition as an absolute requirement in a Charter would be a barrier to many employers engaging with it.
- 4.10 Other characteristics of responsible employers who make a significant contribution to Greater Manchester, beyond the key employment characteristics set out above, were highlighted. These included: the good treatment of Small & Medium Sized Enterprises in supply chains (e.g. through ending late payment); purchasing locally; investing in voluntary and community social enterprises in supply chains; tackling modern-day slavery; developing links with schools and colleges; tackling traffic congestion through flexible working hours; delivering environmental goals (including outcomes of the Mayor's Green Summit); support for volunteering, and increasing the diversity of senior management in organisations.

- 4.11 The consultation asked for views on the form of the Charter and the structure that would underpin it. Many respondents highlighted the benefits of a tiered system, with an initial tier to engage a large number of employers, and increasingly comprehensive standards as organisations progressed towards high standards of practice. Respondents also thought that this would be a positive means of supporting employers on a journey and directing them to existing support and best practice.
- 4.12 There was general agreement that significant charges for membership of the Charter would act as a barrier to employers voluntarily signing up, and that charges should be low or non-existent.
- 4.13 There was a wide variety of views on whether the Charter should have differential requirements between employers of different sizes and/or in different sectors. Some respondents argued that the key characteristics of a good employer were the same, whatever size they were; others said that more should be expected of larger employers because they have more resources to deliver higher standards; while others pointed out that different sectors have very different characteristics. Larger employers, who employ Greater Manchester residents but also employ staff around the UK or even internationally, face the additional challenge that they may not be able to meet distinctively Greater Manchester characteristics due to wider agreements on terms and conditions and the need to maintain consistency across the organisation or across the UK. All of these issues were set out in the context of the need for the Charter to be simple and straightforward for employers to join.
- 4.14 The benefits of Charter membership were also raised. Some respondents pointed out that the reasons for signing up to the Charter lie in its business benefits – the link between excellent employment practice and the benefits it brings to businesses in reducing overall costs and raising profits, and to improving the services provided by employers in the public and voluntary and community sectors. Several respondents highlighted the opportunities for mentoring that the Charter offered: the chance for larger and smaller employers from all sectors to share experience and best practice. This would require capturing examples of best practice through the Charter’s evaluation process (see section 5 below).
- 4.15 Other suggestions for providing incentives for employers to sign up to the Charter included linking it to public sector procurement in Greater Manchester, building on the social value approach which has been developing in the city region (see section 5 below). Some respondents not only said that linking procurement with the Charter would provide an incentive to join, but should also be based on the principled case that public spending funded through taxation should be used to support higher

employment standards. However, others were concerned that this approach could lead to Small and Medium-Sized Enterprises being further excluded from public sector procurement.

- 4.16 Many respondents pointed out the role which the celebration of high employment standards could play in spreading knowledge of opportunities to improve practice and encouraging employers to sign up. Some sort of awards ceremony or celebration event for those employers who demonstrated the best or most innovative practice was proposed by several respondents. Some also suggested that there should be financial incentives for employers who sign up to the Charter, for example through a reduction in their non-domestic rates (“Business Rates”), grants for training or reduced transport costs.
- 4.17 The need to avoid duplication, as far as possible, between the Greater Manchester Charter and other accreditations and standards – both local and national – was raised. Such duplication would be a significant barrier to encouraging employers to sign up, and therefore undermine the Charter’s impact given that it will be voluntary.
- 4.18 The consultation also asked for views on how Charter membership might be assessed and monitored. Many responses focused on the merits of external assessment versus those of self-assessment – pointing out both the ease and simplicity inherent to self-assessment and the comparative rigour of an external assessor. Some proposed that the Greater Manchester Combined Authority or Growth Company could take on this role, although others suggested that an independent third party would be preferable.
- 4.19 Some responses highlighted that, while some employment characteristics were easily measurable e.g. payment or non-payment of the Real Living Wage, others were more open to judgement and harder to assess through an accreditation process. A number of those involved in the co-design process also suggested that an employee survey would be an effective means of assessment, providing an opportunity to measure progress over time, capture the views of employees, and giving employees the chance to raise concerns if commitments made under the Charter were not being delivered. Others, however, expressed doubts about this approach, and the accuracy of results it would provide. Views also varied on whether a survey would be seen as a benefit or intrusive by employers. Another issue raised was how much information that had been shared for the purposes of accreditation would be made public.

- 4.20 The issue of re-assessment was raised, with periods of accreditation ranging from 6 to 36 months suggested. Some also questioned how employers who failed to meet the Charter's standards would be managed, and what steps would be taken to remove an employer from the scheme.
- 4.21 The need for the Charter to evolve in the future in order to reflect changing best practice was raised. Several respondents suggested that this work could be carried out by an independent panel which would 'own' the Charter. Suggestions of membership for the panel varied – some advocated a mixture of employers, academics and representative groups, whilst others were of the view that the Charter should be owned by member employers.
- 4.22 The evaluation of the Charter, as a means of improving its development over time and assessing its impact, was raised as a key issue. Respondents highlighted data that could be used for assessment, including the number of organisations that become members; number of employees within those organisations; and other indicators linked to the characteristics of good employment set out above. Some suggested that Greater Manchester level data on good jobs and productivity could be of use, although respondents from universities and other research organisations believed that it would be difficult to establish causality between the Charter and these data and that qualitative data and case studies would be a better means of evaluation.
- 4.23 These issues, key questions and trade-offs raised by respondents to the first consultation have been used to develop the proposed draft Charter set out in the next section. Not all the proposals made in the responses can be included in the Charter, particularly where different respondents had opposite views or contradictory proposals. However, they have been incorporated into the proposed Charter as far as possible and – even when this has not been possible – the range of views and issues raised have been used to refine the Charter and develop a robust model which could be effective in delivering the aims set out above and command the widest support.

5. The Draft Charter

- 5.1 The proposed model for the Greater Manchester Good Employment Charter set out in this section has been developed using the responses to the first consultation and through further work with the expert group of employers, employees and districts. Further discussions have also taken place with business groups, trades unions, campaign groups, academics and others from across the city region and wider UK.
- 5.2 The aim is to develop a movement of employers – succeeding and acting responsibly – to provide better employment across our city region. It sets out a distinctive Greater Manchester approach, looking to raise standards across a range of key employment characteristics – rather than just in single areas – to support employers to create good jobs, grow their businesses and improve their services. It aims to develop a journey which any employer could choose to take, tapping into the range of employment support which is already available in Greater Manchester. It looks to build on the range of existing accreditations and standards, so that employers do not have to duplicate where they already have excellent practice, making it as simple and easy as possible for employers to choose to sign up. The intention is also to link it to public sector procurement in Greater Manchester and the Social Value Framework, giving Charter members an opportunity to demonstrate the social value that they are delivering.
- 5.3 Responsible employers in Greater Manchester are playing a substantial part in delivering the Greater Manchester Strategy, taking responsibility and shaping a place where people want to live and businesses want to set up. For example, businesses are working to reduce congestion in the city region through the Greater Manchester Congestion Deal, linking with education leaders and careers professionals through BridgeGM, delivering a new digital strategy following two Digital Summits, setting new Green ambitions, and coming together in a Business Network to tackle homelessness.
- 5.4 While Members of the Charter itself will focus on setting excellent employment standards, all employers who sign up to the Charter process – as supporters or members – would be able to show their wider contribution to making Greater Manchester one of the best places in the world to grow up, get on and grow old.
- 5.5 As set out above, a tiered structure for the Charter was put forward by many respondents as the most effective way to both give a wide range of employers the opportunity to engage with the Charter, while at the same time encouraging and supporting them to reach higher employment standards, learn from best practice,

and thereby improve productivity and service quality.

5.6 This approach would also mean that support could be provided for progression to higher standards and better outcomes. At each tier employers could be provided with a suite of options to help them navigate the wide range of support which is already available in Greater Manchester and choose what is suited to their needs. The Charter then becomes a journey for employers towards best practice, rather than a single assessment at a point in time.

5.7 From the consultation responses and further discussions with employers, employees and others, a structure of three tiers has been developed.

- Tier 1 would be for Supporters of the Charter, employers who support the aims of the Charter even if they are not ready to become full members and who, as responsible businesses and providers of essential services, commit to making Greater Manchester one of the best places in the world to grow up, get on and grow old.
- Tier 2 would be for full Members of the Charter, employers who have reached best practice across a range of key employment characteristics.
- Tier 3 would be for those employers who have not only reached those high standards, but have found innovative ways of improving further, and are able to act as Advocates of the Charter by spreading excellent practice to other employers.

Tier 1: Charter Supporters

5.8 It is proposed that the first tier of the Charter process should be for employers who are not ready to sign up to accredited membership, but who want to support the aims of the Charter, and share and promote the ways in which they are making Greater Manchester one of the best places in the world to grow up, get on and grow old. As section 3 set out, providing good jobs is just one of the ways in which employers in Greater Manchester are acting as responsible businesses, and providers of essential services. From building a Green City Region, through to tackling transport congestion, supporting volunteering, to engaging with schools across the city region, they are making an unparalleled contribution to ensuring Greater Manchester is one of the best places to grow up, get on and grow old.

5.9 Supporters of the Charter would:

- (a) Sign up to say that they support the aims of the Greater Manchester Strategy, and show how they are already acting as responsible employers;
- (b) Sign up to say that they support the aims of the Charter, to provide good jobs and a more productive economy, and that they will work towards improving their practice in the six characteristics of good employment set out below, even if they are not yet in a position to sign up to be members of the Charter;
- (c) Be able to use the signposting service provided by the Charter to identify and access the support they need to improve productivity or provide better services, helping them toward achieving Charter membership;
- (d) Give them the opportunity to share good practice by working with those evaluating the Charter to learn from other examples of best practice and share their own.

Q: Do you agree that employers should be able to sign up as Supporters of the Charter?

Q: How could Supporters work together to share excellent practice?

5.10 There is a wide range of support available to employers in Greater Manchester, helping them to not only improve employment practices but also access wider business support. Some examples of this support which have been raised in the co-design process are set out in Box 5.1.

Box 5.1 – Examples of Support Available for Employers

The **Living Wage Foundation** supports organisations during their journey towards Living Wage accreditation. Its advisers can provide assistance around the practical application of the Living Wage, as well as case studies of other employers that have become accredited.

The **Business Growth Hub** offers a range of services to support businesses, including leadership and workforce development, recruitment and apprenticeships.

Timewise supports employers to provide flexible working to their employees, with a suite of tools and services to help them develop approaches that match the context of their organisation, and that fit with strategic objectives and priorities.

The **Greater Manchester Chamber of Commerce** provides a suite of training and development opportunities for both its members and businesses in Greater

Manchester. Areas of specific focus include recruitment, health & safety, and business development.

The **North West Trades Union Congress** offers a wide range of guidance on implementing best practice and dealing with issues in the workplace, which can be of use to both employers and employees.

The **Equality & Human Rights Commission** provides employers with advice and guidance around their statutory obligations to equality, as well as examples of best practice in workplace inclusion.

The **Advisory, Conciliation and Arbitration Service (ACAS)** works to improve workplace relations by providing conciliation services, training and advice to employers and trades unions. Their Model Workplace helps organisations to assess their performance in people management and provides practical guidance on setting up and maintaining good employment relations. Their Productivity Tool helps employers develop their thinking about where they could make productivity gains in the workplace by identifying simple practical steps that can be taken to get the best out of staff.

Business in the Community has developed a 'Good Work for All' online action plan, to help businesses take practical steps to improve the situations of their lowest paid employees. The action plan breaks down activity into three key areas: Fair pay and benefits, Structure and Security, Skills and Development, highlighting practical changes against each section.

In addition, there are individual advisors and professional support companies who offer services to employers looking for support.

Q: What other support are you aware of that is provided by other organisations that should be promoted through the Charter?

- 5.11 Supporters of the Charter would also be linked to the range of employer engagement work which already takes place in the Greater Manchester. This includes BridgeGM, which links employers with schools, and the range of support which is available for taking on apprentices.
- 5.12 Depending on where they are based in the city region, employers signing up as Supporters would be also linked to: the Team Bolton partnership and encouraged to sign up to the Bolton Employers' pledge; the Bury Council Business Engagement Group if they have further queries enquiries about local support; the Our Manchester Business Forum if they have further queries enquiries about local support; the Get Oldham Working Programme and encouraged to sign up to the Oldham Fair

Employment Charter; Rochdale Council for business support; Stockport Council, who are developing support based on the outcomes of the work & skills commission; Tameside Council and encouraged to sign up to the Menu of Choice; Trafford Council and encouraged to sign the Trafford Pledge; Wigan Council and encouraged to sign the Wigan Deal for Business.

5.13 Salford City Council already has an Employment Charter in place, which has provided valuable lessons for the development of this Greater Manchester Charter. Established in 2013, the Salford Charter is in the process of being updated, drawing on experiences of its operation so far. The Salford Charter will now be focused around three categories: investing in the local workforce, by offering employment and training opportunities to those facing the greatest disadvantage; having excellent employment practices, by working with employers, trade unions and campaign groups to promote the adoption of the best possible working practices and conditions; and being an equal and inclusive employer, by ensuring that organisations take an active role in respecting and supporting workforce equality and inclusion. There is a high level of alignment between these categories and the employment characteristics which are proposed for the Greater Manchester Charter. In addition, both the Salford and Greater Manchester Charter proposed here feature a tiered structure. As a result, there is potential for a reciprocal arrangement between the two charters to be both mutually beneficial and relatively simple.

5.14 Charters and similar initiatives are also under development in other parts of the UK and the GMCA is working with those areas to share lessons. The Liverpool City Region Combined Authority and North of Tyne Combined Authority, are developing their own initiatives to improve employment practice. The Mayor of London and Greater London Authority are developing a Good Work Standard which focuses on specific areas of best practice that should be adopted by employers, while the London Borough of Croydon has its own Good Employer Charter. The Scottish Government has put in place a Business Pledge, through which businesses commit to a number of employment goals, and has provided particular lessons around the process of evaluation. Those discussions have helped to shape the proposition set out in this document.

Tier 2: Charter Members

5.15 Like the Supporters of the Charter, Members would be encouraged to show how they are contributing to delivering a Greater Manchester which is the best place in the world to grow up, get on, and grow old. But they would also show specifically how they are delivering excellent practice across a range of employment characteristics. This would create a distinctive Greater Manchester approach –

combining excellent practice across a range of employment characteristics to be a Greater Manchester good employer, not just focusing on individual areas.

5.16 Given the clear view of respondents to the first consultation document that Charter membership should be measured by a small number of clear requirements – to keep the Charter simple and straightforward, and make it more likely that employers would be willing and able to sign up – it is proposed that six employment characteristics are used in the Charter:

1. **A real Living Wage** so that an employee can achieve a decent living standard;
2. **Flexible working** for those who need it, such as employees with caring responsibilities, but security for those who are working regular hours;
3. **Workforce engagement and voice** in the workplace, so that employees can wherever possible shape their own roles and the direction of the organisation, being able to engage through the independent collective voice of the workforce, with facilitated trade union activity and formally recognised unions where possible;
4. **Excellent people management** practices, including valuing older workers and managing pregnancy and maternity in the workplace;
5. **A productive and healthy workplace**, including adjustments for people with long-term conditions and disabilities and support for better mental health;
6. **Excellent recruitment practices and progression** in the workplace, including through engagement with schools, well-paid apprenticeships, transparent and open recruitment and skills development for employees.

Q: Do you agree or disagree with the proposal for Charter Members?

5.17 During the co-design process, it has been raised that an employer may not be able to meet excellent practice on a key characteristic, such as paying a real Living Wage, due to circumstances out of their control.

Q: Are there any of the six areas where you think an employer might not be able to meet the aspiration due to circumstances out of their control?

Q: If there are circumstances where an employer might not be able to meet excellent practice due to circumstances out of their control, should they still be able to achieve Charter Membership?

5.18 Respondents to the first consultation expressed a strong view that the Charter will need to be simple and straightforward for employers to take part. That means it is important not to set up a new and bureaucratic accreditation system. Therefore, to avoid duplication and introducing new complexities, employers who have already

signed up to existing standards and accreditations – local and national – would be able to use those standards they already have to demonstrate excellent practice.

5.19 Respondents also identified several such accreditations, standards or other programmes which Greater Manchester employers are already signing up to. Discussions with employers, employees and others since then have identified more which already show that an employer is delivering the necessary high standard on the relevant key characteristic. Those identified so far are:

1. **A real Living Wage:** Living Wage Accreditation, Unison Ethical Care Charter;
2. **Flexible working:** Bright Ethics, Timewise Accreditation (for public sector employers);
3. **Workforce engagement and voice:** trade union recognition or a willingness to engage with and allow workplace access to trade unions, Investors in People (all levels);
4. **Excellent people management:** Working Forward Pledge, Investors in People, PQASSO (Level 2), Employee Assistance Plans, Bright Ethics;
5. **A productive and healthy workplace:** Disability Confident Scheme (Level 3), Workplace Wellbeing Charter, Time to Change, Bright Ethics; Investors in People: Health & Wellbeing Award.
6. **Excellent recruitment practices and progression:** Disability Confident Scheme (Level 3), Talent Match Mark (Platinum), Bright Ethics, GM Quality Apprenticeship Employer Mark (under development).

5.20 The Living Wage Foundation are also developing new measures to tackle underemployment and insecurity. This work will look at what employers can do to ensure people on flexible contracts can earn what they need to live a life with dignity. At this moment, the Living Wage Foundation are looking into how employers can do this through a guaranteed number of contracted hours, advanced notice for shifts and compensation for cancelled or moved shifts after the advanced notice period alongside the real Living Wage. This will be considered as the Foundation's proposals are developed and this Charter is finalised.

5.21 Another business certification which has been raised through the co-design process is B Corp. This aims to identify businesses that meet the highest standards of social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Given this broad remit, further work will be undertaken to explore how best to link certified B Corporations with the Charter.

Q: Can you tell us any other accreditations or standards you are aware of that could be used to measure excellent employment practice?

5.22 There may also employers who have excellent practice across some or all of the characteristics but may not be able use the accreditations or standards set out here, for example because accreditations can be costly, particularly for small employers. To avoid such employers being excluded from the Greater Manchester Charter, they will also be able to put forward other evidence to show that excellent practice is being delivered. This will also ensure that employers are able to innovate and find new ways to deliver excellence, even where this is not included in existing accreditations and standards.

Q: Where accreditations are not available, or they are difficult for employers to sign up for, how can we assess excellent practice in a way which is simple but robust?

5.23 While the vast majority of employers who become Charter Members would be expected to continue to maintain and improve on high standards, any employers who chose to no longer meet those standards would clearly no longer be Members. A further point raised in the co-design process has been that some employers could meet some or all of the characteristics set out above, but could at the same time be engaged in activity which brings the Charter into disrepute. Examples could include tax evasion or long delays in paying suppliers. It is therefore also proposed that the Charter includes a general provision for removing from the Charter any organisation which brings the Charter into disrepute.

Tier 3: Charter Advocates

5.24 Even when employers have become full Members of the Charter, they should still have the incentives to improve further. Best practice in employment is constantly changing as employers find new ways of working better, harnessing innovation such as technological change and constantly challenging themselves to improve. Membership of the Charter should not therefore be an end, but an opportunity to push further. Responses to the first consultation also proposed that the sharing of knowledge and experience, and mentoring provided by employers with the best practices, could be a powerful tool.

5.25 There is therefore a role for those with excellent practice across all the key characteristics to use their experience to become Advocates for the Charter and work with other employers – helping them overcome barriers and realise the benefits of improved practices. In this way they can show that excellent practice is both possible and normal, and show what can be achieved by employers of different sizes and in different sectors, facing different challenges.

Q: Do you agree or disagree with the proposal for Charter Advocates?

Why Would Employers Join the Charter?

5.26 As described above, the Charter would provide a route for employers to identify and access the support they need to improve their employment practices. Through the sharing of case studies and good practice, the benefits of joining the Charter would be set out for employers, showing how by accessing support and delivering excellent practice they could grow and succeed, becoming more profitable and delivering better services. It has been proposed through the co-design process that employers could do this not only on an individual basis, but also that groups of employers could work together to improve practice.

Q: What examples are there of employers working together to improve employment practice which could be drawn on in the Charter process?

5.27 Respondents to the first consultation also proposed that those who achieve the highest standards should be celebrated, for example through an awards ceremony or other public recognition of the contribution they are making. This could not only bring benefits to those employers, from good publicity, but help to spread knowledge and understanding of best practice. As the Charter is established, options for this type of celebration of excellent practice will be examined in the context of the awards and similar promotions which already exist in Greater Manchester.

5.28 It was also proposed in the consultation responses that the Charter should be linked to procurement by the public sector in Greater Manchester, on the grounds that where public money is being spent with local employers, high standards of employment (and other practice) should be expected.

5.29 Greater Manchester has a Social Value Framework which has been developed to ensure that contracts being let by the public sector are delivering social value, such as high employment standards, as well as value for money for taxpayers. More details are set out in the Box 5.2.

Box 5.2: Greater Manchester's Social Value Framework

Greater Manchester has long been a pioneer in the field of Social Value: maximising the benefit to the residents from every pound of public money spent.

Greater Manchester's Social Value Policy was approved by the GMCA in November 2014 and identifies six key economic, social and environmental objectives which are outlined to bidders in tender documents. Bidders are expected to provide responses that demonstrate how they would contribute to these objectives and add additional value if awarded the contract. Bids are then assessed on these, in addition to the other procurement criteria.

The six key objectives in the current policy are:

1. Promote employment and economic sustainability;
2. Raise the living standards of local residents;
3. Promote participation and citizen engagement;
4. Build the capacity and sustainability of the Voluntary & Community Sector;
5. Promote equality and fairness; and
6. Promote environmental sustainability.

The existing policy has been applied extensively by Local Authorities in Greater Manchester in a way that supports each organisation's own objectives and is tailored to its locality.

The 2014 policy was designed to be adopted by Local Authorities, but as more service reform and partnership working takes place, and services are co-designed with partners across the region, there are clear benefits to developing a new version that is applied across all Greater Manchester partners. This will provide consistency and help commissioners, procurers, contract managers and suppliers to maximise the Social Value benefits from public sector activity.

The Greater Manchester wide approach to Social Value is therefore being reviewed and refreshed with input from partners in the Health and Social Care Partnership, to provide a new, more inclusive approach to delivering Social Value consistently and effectively across the city-region.

5.30 The Greater Manchester Good Employment Charter could be used as a measure of social value in the revised Social Value Framework. Membership of the Charter would be used to show that an employer was delivering the objectives of Promoting Employment and Economic Sustainability and Raising the Living Standards of Local Residents. (Other evidence would need to be provided to show social value being

delivered across the other social value objectives). This would mean that employers who were members of the Charter would be recognised as delivering a significant amount of social value, and therefore would score more highly in procurement processes. It has also been proposed that employers with particular practices, such as using exclusive zero-hours contracts, should be barred from public sector procurement.

Q: Do you agree with linking the Employment Charter process with public sector procurement through the Social Value Framework?

- 5.31 Alongside the consultation on the questions set out in this document, an assessment will be carried out with the public sector and employers of different sizes and sectors involved in public sector procurement to assess practical issues around linking the Charter with public sector procurement, to avoid any unintended consequences.
- 5.32 Not only would this approach embed the Charter within public sector procurement processes in Greater Manchester, but it could also make it more straightforward for smaller businesses to show how they are delivering the objectives of Promoting Employment and Economic Sustainability and Raising the Living Standards of Local Residents, because they could prove it through a single measure (membership of the Charter) rather than having to give many different examples. It could therefore make it more straightforward for them to be involved in public sector procurement processes.
- 5.33 Several respondents to the first consultation proposed that there should be financial incentives for employers to sign up to the Charter. Examples included Business Rates relief, grants for training and reduced transport costs. Exploration of these options has found that such incentives are difficult to target in a way which would benefit all employers (for example, only those employers paying Business Rates would benefit from a Business Rates reduction). It has also been argued that providing financial incentives could lead to employers signing up who are not committed to the main aims of the Charter – thereby reducing its benefits – and others have pointed out that given the Charter should lead to better financial outcomes for employers from better employment practice, there is no need to provide further financial incentives. It is therefore not proposed, at this stage, to offer any further financial incentives for signing up to the Charter.

Governance & Evaluation of the Charter

- 5.34 The need for the Charter to develop over time, as understanding of best practice develops, was raised in responses to the first consultation. It is therefore proposed that the Charter is not a static framework, but one which develops over time in line with the experience of employers and employees, and the evaluation of the Charter.
- 5.35 The Charter will also only succeed if all of those with a stake in its success – employers, employees and others – have an ongoing role in its delivery and development. All of those groups need to be able to shape the direction of the Charter, identify and solve any challenges as it is implemented, as well as having the backing of the Mayor and other Leaders in Greater Manchester through the GMCA.
- 5.36 Respondents to the consultation expressed a range of views on the governance of the Charter, and who would be best placed to oversee its development and administer it. The proposal which is likely to be most effective in involving employers, employees and others is to set up an independent panel to oversee the Charter including all of those groups and those involved in the evaluation of the Charter.
- 5.37 A robust evaluation framework for the Charter will be crucial to ensure that it:
- (i) Keeps up with best practice and can be regularly updated as lessons about the support which employers find to be most effective are learned;
 - (ii) Captures information about the effectiveness of the Charter to make sure it is delivering the aims set out above of good jobs, with opportunities for people to progress and develop, and a thriving productive economy in all parts of Greater Manchester;
 - (iii) Generates case studies which can be used to show the benefits of Charter Membership for employers who are considering sign up and spread good practice; and
 - (iv) Provides feedback for organisations who are delivering support for employers to improve their understanding of what support is most effective.
- 5.38 A number of research organisations and universities are working with the GMCA to design an effective evaluation process for the Charter. Their work has been guided by the principles that the process needs to be robust, provide timely feedback to inform the development of the Charter, and be unobtrusive for employers. As the Charter is finalised and implemented, there may be opportunities to test different evaluation approaches to assess which are most effective for capturing the Charter's impact. As well as basic information about the number of employers signing up to the Charter (as Supporters and Members) and the number

of people they employ, it is proposed that feedback is obtained from employers on:

- Which areas of support they have found most useful for raising performance across the six employment characteristics; and
- The impact which they think the Charter has had on their organisation. For example, do they feel more confident in engaging employees and has this led to better outcomes for their organisation.

5.39 Feedback from employees will also be crucial for understanding the impact of the Charter, making sure it is supporting the creation of better paid and secure jobs, and ensuring that accreditations are being delivered. Trade unions will have an important role to play in gathering that feedback, but there are some sectors where trade union representation is low or absent. Other mechanisms are therefore also needed.

5.40 Many employers already capture feedback from their employees through a variety of surveys. We propose to initially work with Advocates to look at how that feedback can be used to assess the impact of the Charter over time. Some employers involved with the co-design of the Charter have proposed that an Employment Charter Survey could play a role in ensuring that employers are delivering the commitments they have made under the Charter, but do this in a light-touch way with the information gathered being of benefit to the employers themselves. Others, however, have been concerned that a long and comprehensive survey could be intrusive for employers and therefore act as a barrier for employers thinking of signing up. As set out above, simplicity and ease of sign-up has been identified as one of the key factors in ensuring that the Charter is successful, given that it will be a voluntary approach.

5.41 Insights from behavioural research suggests that an effective way to capture the impact of the Charter could be asking employees one or two questions on the overall perceptions of their job, rather than using long questionnaires where response rates tend to be low and which could be intrusive, difficult for employers to administer and have the potential to be manipulated. This also has the benefit of more closely assessing progress against the overall aims of the Charter – for employers to raise their performance by ensuring their employees are fully engaged in the organisation. Options for the delivery of such questions will also be explored – while internet-based questionnaires are common, there is a risk of missing employees in sectors and roles where internet access is not core to the role. Asking questions by text message is another route used in some surveys.

5.42 One example of survey use as a means of evaluation can be seen in the Scottish Business Pledge. The Pledge's progress is monitored through a short survey of

subscriber businesses, conducted every two years. The survey asks firms to describe the Pledge's perceived impact, the benefits they have felt from joining and whether they would recommend the Pledge to other organisations. It also asks firms if their commitment to the Pledge has increased since joining, and whether they have attained Living Wage accreditation. The Pledge's most recent survey was returned by over a third of Pledge subscribers. Results were weighted according to business size to make them more representative of pledging firms as a whole.

5.43 The evaluation of the Charter will also need to be able to track, as far as possible, changes in outcomes for employers and employees, both before and after joining the Charter and then over time while members of the Charter. Options will be examined for using existing firm-level data which is already publicly available to assess progress.

5.44 The number of employers who are meeting excellent standards in each of the key employment characteristics described above will need to be captured, but also the impact on practice under each of those characteristics. There are already some data sources which capture changes in the characteristics at a Greater Manchester level. Examples are the Timewise Index on flexible working, data on employment levels across different groups, data on pay gaps, and the number of apprentices.

Q: What would be the best ways of measuring the benefits for employers and employees of joining the Charter?

6. Conclusion

6.1 The proposed approach set out in this document aims to harness the growing movement of employers in Greater Manchester – who are succeeding and acting responsibly – to provide better employment across our city region. The Charter process which has been co-designed with employers, employees and others aims to provide support for employers to reach excellent standards across key employment characteristics, and therefore improve opportunities for Greater Manchester residents who are currently in low paid and insecure work.

6.2 Views are welcome on the questions set out through the document. The questions can be answered at: www.gmconsult.org/strategy-team/gmemploymentcharter, or by emailing GoodWork@greatermanchester-ca.gov.uk.