

## Evidence Paper

# Review of Employment Charters in the English Mayoral Combined Authorities

## 1. Introduction

### 1.1. Background and context to the study

Good work is positioned as a route for enhancing productivity, innovation and inclusive labour markets. Following the publication of the Taylor review of Modern Working Practices<sup>1</sup>, in 2018 the UK Government committed to promoting Good Work and set out its plan to do so.<sup>2</sup> In addition, a UK Government minister was tasked with monitoring and reporting on Good Work.

Good work is an expression of job quality and comprises both the organisation of work and the terms and conditions of employment under which that work occurs. Research from a variety of sources suggests that most people currently work in 'good' jobs, although there are variations by occupation, social class and age.<sup>3</sup>

Work and employment legislation are a reserved responsibility of the UK Government covered by three UK departments – Work and Pensions (DWP), Education (DfE) and Business, Energy and Industrial Strategy (BEIS) – often working alongside the HM Treasury and Cabinet Office. Since the launch of the Good Work Plan, policy development to support its delivery has been slow<sup>4</sup>, with most efforts focused on creating measures of Good Work and developing supportive datasets.<sup>5</sup>

Some related responsibility, for example for education and training, is devolved to the governments of Scotland, Wales and Northern Ireland. Both Scotland and Wales have already developed policies focused on 'Fair Work', which resonates with Good Work, and Northern Ireland is doing likewise.<sup>6</sup> Similarly, whilst not having legislative responsibility, a number of

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<sup>1</sup> The Taylor Review (2017). Good work: the Taylor Review of Modern Working Practices. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf)

<sup>2</sup> HM Government (2018) Good Work Plan: <https://www.gov.uk/government/publications/good-work-plan>

<sup>3</sup> Warhurst, C. Wright, S. and Mathieu, C. (2022) 'Job quality: a family affair?' in C. Warhurst, C. Mathieu and D.E. Dwyer (eds) Oxford Handbook of Job Quality, Oxford: Oxford University Press; Dobbins, T. (2022) Good work: policy and research on the quality of work in the UK, Research Brief, House of Commons Library; CIPD (2019) *UK Working Lives Report 2019*, [https://www.cipd.co.uk/Images/uk-working-lives-summary-2019-v1\\_tcm18-58584.pdf](https://www.cipd.co.uk/Images/uk-working-lives-summary-2019-v1_tcm18-58584.pdf)

<sup>4</sup> Whilst an Employment Bill was included in the 2019 Queen's Speech, it has not been included in subsequent Queen's Speeches. It was anticipated that this Bill would include measures to promote Good Work.

<sup>5</sup> ONS (2018) Job quality indicators in the UK – hours, pay and contracts. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/jobqualityindicatorstheukhourspayandcontracts2018>

<sup>6</sup> Warhurst, C. and Wright, S. with Atfield, G., Baldauf, B. and Corduneanu, R-I. (2021) Research to support the development a new model of employment relations in Northern Ireland, Belfast: Labour Relations Agency. See also the forthcoming ReWAGE evidence paper on the development of job quality policy in Scotland, Wales and Northern Ireland.

regions within England have also developed policy to promote Good Work or Fair Work through the Mayoral Combined Authorities (MCAs).

With increasing regional devolution and the UK Government's 'levelling up' agenda, there is much current policy development at the subregional level of government in terms of skills, productivity, wellbeing and job quality. These policies are being developed based on local needs or 'place'. Consequently, a range of practice and emphases are emerging across the MCAs.

Charters<sup>7</sup> are examples of 'soft regulation', which seek to persuade and encourage employers to offer better jobs, as opposed to 'hard' regulation underpinned by legislation, such as the National Minimum Wage (NMW). Some observers believe that both are required with legislation providing a baseline standard for job quality.<sup>8</sup> Hard regulation to provide statutory minima; soft regulation to encourage best practice within businesses.

This organic emergence of Charters across England has created regional diversity that plays to local strengths and needs. It also potentially creates two problems. The first is a potential lack of comparability. With varying, region-specific indicators of good and fair work, it could be difficult to compare firstly, both the current state of job quality and progress improving it across the regions and, secondly, with indicators advocated by the UK Government. The second is a possible policy disconnect. With MCAs developing their own Charters without reference to UK Government policy there is a potential lack of policy integration between central and regional government. What is required is a review of the MCA Charters that both compares these Charters in themselves and against the UK Government's Good Work measures. Reviewing these regional initiatives is beneficial to the UK Government and other governments within the UK. Whilst regional devolution leading to intentional differentiation can make comparisons difficult,<sup>9</sup> there will be examples of leading-edge practice from which lessons can be diffused across England, if not the UK, and which can also help support policy development by the UK Government. This paper provides such a review.

## **1.2. Review approach and methodology**

Working with the Edge Foundation since 2018, Warwick Institute for Employment Research (IER) organises regular policy-focused workshops with the Directors of Skills (DoS) of England's MCAs. These workshops provided both a springboard and sounding board for the review, providing both information and feedback respectively.

MCAs are combinations of local authorities in England. Since 2014, groups of local authorities have been invited to submit applications or devolution deals to the UK Government. Devolution confers a range of powers and funding pots including skills, business support, transport, some fiscal powers and EU Structural Funds.

Under the Cities and Local Government Devolution Act 2016, six MCAs were established: Cambridgeshire and Peterborough Combined Authority (CaPCA); Greater Manchester Combined Authority (GMCA); Liverpool City Region (LCR); Tees Valley Combined Authority (TVCA); West Midlands Combined Authority (WMCA); and West of England Combined

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<sup>7</sup> The term 'Charter' is used in this review as a common term to label the charters/standards/pledges in the MCAs regions.

<sup>8</sup> Warhurst, C. and Knox, A. (2022) 'Manifesto for a new Quality of Working Life', *Human Relations*, 75(2): 304-321; Dobbins (2022) op. cit.

<sup>9</sup> See ReWAGE (2022). Levelling Up policy brief: request.pdf (warwick.ac.uk).

Authority (WoECA). These six are in addition to the Greater London Authority (GLA) which was established in 2000 and has similar devolved powers along with an elected Mayor.

Since 2016, a further three MCAs have been created: North of Tyne Combined Authority (NoTCA); Sheffield City Region (SCR); and West Yorkshire Combined Authority (WYCA). There are thus 10 MCAs (including the GLA) currently in England. A key element of devolution deals is that the MCA must have an elected Mayor. To date there have been six mayoral elections in GLA, one each in NBoTCA, SCR and WYCA, and two each in the remaining MCAs.

To date five MCAs (including the GLA) have launched a Charter promoting Good Work, Fair Work or similar. One MCA, WYCA, is in the final stage of developing a Charter and plans to launch it in late 2022. In each of these MCAs, the development of a Charter has been a manifesto commitment in the successful Mayor's election campaign. These Charters have different names in each region (see Table 1 below).

The review methodology had two parts:

- A document review of each MCA's Charter and associated documents.
- Interviews with the lead person(s) developing the Charter in their MCA area.<sup>10</sup>

### 1.3. Report structure

Drawing on this dataset, the report is structured as follows:

- Section 2 reports on the development of the Charters, including the background to and process of that development.
- Section 3 focuses on the content of the Charters and compares that content to the UK Good Work measures.
- Section 4 outlines how Charters are promoted by MCAs and the application and accreditation processes for employers.
- Section 5 highlights progress to date in engaging employers and the ongoing management and operation of the Charters.
- Section 6 offers a short summary of the main findings of the review, from which insights, lessons and recommendations are offered.

## 2. Developing the Charters

### 2.1. Introduction

This section is based on interviews with Charter leads in six MCAs. It describes the background and context to the MCAs, how they were developed, and facilitators and challenges MCAs faced in this development.

### 2.2. Background

All of the Charters are relatively new. Each was included in the successful Mayor's manifesto in 2017 (GLA, GMCA, LCR and WoECA) or in 2021 (NoTCA and WYCA). All of these MCAs

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<sup>10</sup> Interviews were conducted in March 2022.

are Labour led. Inclusion in the Mayoral manifesto means that all of the Charters have political backing. This backing then manifests itself in the provision and commitment of financial and other resources to develop, implement and sustain the Charters in each case. These manifesto pledges were broad brush commitments rather than providing a detailed description of the format or content of the Charters.

Table 1 shows the name of the Charter in each MCA and the date of its launch. The GLA was the first to launch its Charter in 2019, followed closely by GMCA in the same year. NoTCA launched its charter in 2020, followed by LCR in 2021 and WoECA in 2022. WYCA's Fair Work Charter is in the final stage of its development with an expected launch in late 2022. The pandemic delayed the development and launch of the Charters in NoTCA, LCR and WoECA.

**Table 1: MCA Charters**

MCA	Name of charter	Launch date
Greater London Authority	Good Work Standard	2019
Greater Manchester Combined Authority	Good Employment Charter	2019
Liverpool City Region	Fair Employment Charter	2021
North of Tyne Combined Authority	Good Work Pledge	2020
West of England Combined Authority	Good Employment Charter	2022
West Yorkshire Combined Authority	Fair Work Charter	To be launched

Source: Warwick IER

Many of the Charters are rooted in prior work on the inclusive growth agenda which was being developed in a number of MCAs in the last half of the 2010s. Inclusive growth and Good/Fair Work/Employment share a number of tenets such as decent pay, inclusion, health and wellbeing, and training and development. Evidence suggests that most people currently work in good jobs but the proportion declines for those in low wage/low skill occupations and sectors, those in lower socio-economic groups and young people.<sup>11</sup> Charters, therefore, are an attempt to assist such groups of people to 'share' in the benefits of economic development and growth.<sup>12</sup>

The equality, diversity and inclusion (EDI) agenda was also a basis for the Charters in most areas. Two MCAs also cited productivity as a policy driver for their Charters. This focus follows on from policy work in the first half of the 2010s to encourage high performance working (HPW) practices. Some elements of Charters have been identified as components of these HPW practices, such as flexible working, employee consultation, and training and development.<sup>13</sup>

<sup>11</sup> See Warhurst, C. Wright, S. and Mathieu, C. (2022) op. cit.; Dobbins, T. (2022) op. cit.; CIPD (2019) op. cit.

<sup>12</sup> For example, see <http://www.oecd-inclusive.com/champion-mayors/mayor/champion-mayor-andy-burnham/>

<sup>13</sup> For example, see Wood, S. et al. (2013). High Performance Working in the Employer Skills Surveys. Wath-upon-Deerne: UKCES.

There are a number of existing other charters, some of which focus on good working practices that have also been influential, for example those focusing on:

- Particular labour market groups: e.g. Business in the Community's (BITC) Race at Work Charter<sup>14</sup>; and the Disability Employment Charter.<sup>15</sup>
- Specific localities: e.g. Birmingham City Council's Birmingham Business Charter for Social Responsibility<sup>16</sup>; and Salford City Council's living wage charter.<sup>17</sup>
- Specific elements of good work: e.g. the Living Wage Foundation's<sup>18</sup> work on the (real) living wage; and the Workplace Wellbeing Charter.<sup>19</sup>
- Particular sectors: e.g. the People Matter Charter in the construction and built environment.<sup>20</sup>
- Both the Welsh and Scottish Governments also have their own versions of charters, such as the Scottish Business Pledge,<sup>21</sup> and the Welsh Charter on ethical supply chains.<sup>22</sup>
- Extending beyond just work and employment, there is also the Good Business Charter,<sup>23</sup> launched with Trades Union Congress (TUC) and Confederation of British Industry (CBI) backing in the UK; and the B Corp movement to change the economic system in the US.<sup>24</sup>

Thus, similar to the findings of analysis of employment charters undertaken before the recent wave of MCA Charters,<sup>25</sup> commitments in the MCA Charters typically focus on two broad themes: improving local job quality and widening access to local employment opportunities.

### 2.3. Developing the Charters

Some MCAs already had several area-based charters within their regions in addition to cross-cutting charters (see above). For example, four of GMCA's ten constituent local authorities had good work or social value charters. However, MCAs tended to start with a blank piece of paper in developing their charters.

This is not to say that the MCAs did not draw on existing practice – most undertook a document review of other relevant charters. In this respect, the most influential were the charters in the devolved governments of Scotland and Wales, those already developed by other MCAs (especially GLA and GMCA) and the Living Wage Foundation.

There was also evidence of substantial cross-MCA working amongst those areas developing Charters, for example between the MCAs of LCR, GMCA and WYCA (in the main northern conurbations based in Lancashire and Yorkshire).

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<sup>14</sup> [https://www.bitc.org.uk/post\\_tag/race-at-work-charter/](https://www.bitc.org.uk/post_tag/race-at-work-charter/)

<sup>15</sup> <https://www.disabilityemploymentcharter.org/>

<sup>16</sup> [https://www.birmingham.gov.uk/info/50209/birmingham\\_business\\_charter\\_for\\_social\\_responsibility](https://www.birmingham.gov.uk/info/50209/birmingham_business_charter_for_social_responsibility)

<sup>17</sup> <https://www.salford.gov.uk/your-council/city-mayor/city-mayor-s-charter-and-living-wage/>

<sup>18</sup> <https://www.livingwage.org.uk/>

<sup>19</sup> <https://www.wellbeingcharter.org.uk/>

<sup>20</sup> <https://www.supplychainschool.co.uk/partners/groups/labour-group/people-matter-charter/>

<sup>21</sup> <https://scottishbusinesspledge.scot/>

<sup>22</sup> <https://gov.wales/ethical-employment-supply-chains-code-practice-guidance-and-training>

<sup>23</sup> <https://www.goodbusinesscharter.com/what-is-the-good-business-charter/>

<sup>24</sup> <https://www.bcorporation.net/en-us/>

<sup>25</sup> Hughes, C., Hurrell, D-L., Ball, E. and Skinner, T. (2017) Good jobs in Greater Manchester: the role of employment charters. Briefing Paper 2, Inclusive Growth Analysis Unit, University of Manchester.

The time taken to develop the Charters varied. Some MCAs took 12 months whilst others took a number of years. Some areas were delayed by the COVID-19 pandemic which hampered working across partners, engaging with employers and delivering launch events.

All Charters were developed through the creation of an internal development team within the MCAs. In some cases the Charters were developed wholly internally, whilst other MCAs established an independent or semi-independent steering group to assist in development.

Development of all the Charters involved a period of extensive consultation across a range of organisations:

- Local employers, including large private sector employers, public sector employers (including local authorities), anchor institutions (such as NHS Trusts and universities), small and medium sized enterprises (SMEs) and micro businesses, and Third Sector organisations.
- Employer and employee representative organisations, such as, the TUC, individual trade unions, local chambers of commerce, CBI, and Federation of Small Businesses (FSB).
- Nationally-recognised human resource (HR) organisations, in particular the Advisory Conciliation and Arbitration Service (ACAS) and the Chartered Institute for Personnel Development (CIPD).
- Other organisations, including Local Enterprise Partnerships (LEPs) and the economic development functions of local authorities.

The development of each of the Charters was an iterative process. It involved identifying the key desired dimensions of the Charter (e.g. recruitment, pay, employee engagement and wellbeing) and then developing and refining these dimensions through further drafts. These iterations went out to further (more limited) consultation before a final draft was developed for MCA agreement.

In addition to substantial cross-MCA working, there was also a significant input from the Living Wage Foundation (as pay is an element in all the MCA Charters), whilst others singled out the contribution of the TUC, ACAS and CIPD.

The breadth of consultation helped to hone and focus the content and nature of the Charters in line with what was relevant and feasible within the region, and what aligned with the MCA's strategic priorities.

Whilst they are similar, there are key differences within each, reflecting the importance of place in their development and implementation. The name, content and composition of each Charter's dimensions varies. For example, meeting the Real Living Wage (RLW) is a criterion of some but not others.

The 'ownership' of the Charters is within the MCAs but where they sit (i.e. the staff developing and managing them) varies. Most are based within the MCA's economic development functions, for example GMCA's sits within its Growth Company. Others are based elsewhere, the GLA's Good Work Standard was developed and is managed within its Economic Fairness Programme.

## **2.4. Facilitators and challenges**

A number of factors helped or hindered the development of the Charters. The main facilitators were:

- Mayoral backing. This backing provides momentum (within and beyond the MCA), internal resources and external 'buy-in' to develop the Charter. It is noteworthy that Charters have not been developed in regions where it was not a mayoral manifesto commitment.

However, mayoral backing is a double-edged sword. To be sustainable, Charters need to be independent of association with a particular candidate/mayor, otherwise there is a danger that they will be ended if there is a change in leadership.

- Assistance and support from other MCA areas. Support from the early adopters (GLA and GMCA) was important and valued. In addition there was also a great deal of cross-MCA consultation between those regions where Charters were in the process of development. This cross-MCA consultation helped share good practice and lessons learned in the development of Charters (e.g. the consultation process), the content (such as the sharing of documents) and implementation.
- Support and backing within MCAs from a range of organisations. This support helped in developing: specific aspects of the Charters (e.g. being able to call on the HR expertise of the CIPD); generating employer involvement in the consultation process (from local chambers); representing hard to reach employers (the FSB which represents smaller employers); workplace insights, expertise and employee representation (such as provided by the TUC); also assistance and expertise in convening discussions (for example, from ACAS and local authorities); and access to tired and tested content and available resources.

All of these elements contributed to the effectiveness and inclusion of stakeholder and key partner buy-in within the consultation process. It also provided the Charters with a firm foundation for implementation and further development, important dimensions of which were:

- The importance of involving stakeholders and key partners from the start in order to develop and embed a sense of shared ownership.
- Involving the full range of organisations and also having the 'right' voices involved. Having the breadth of stakeholders and appropriate organisations provides a range of intelligence, expertise and perspectives, for example: providing different employer/employee and sectoral inputs and views; providing professional HR and legal perspectives; skill and experience in facilitating discussions; and developing appropriate business-friendly language.
- There needs to be mechanisms for these stakeholders and partners continued engagement throughout the consultation process. In some MCAs this extended engagement led to the development of independent steering or task groups, or involvement in assessment and accreditation processes.

A number of challenges also needed to be addressed, including:

- Involving employers and keeping them on board. Mechanisms for maintaining their involvement were:
  - making involvement as easy and straightforward as possible within the consultation processes and the content of the Charters, for example, using business-friendly language and approaches;

- working with employers more supportively and intensively on more challenging aspects of the Charters. In particular, the inclusion of Real Living Wage rates of pay can be a barrier to some employers (e.g. those operating in lower pay sectors) and may necessitate closer consultation to establish buy-in.
- Having sufficient resources, and planned funding beyond the first years of the Charters. Developing, implementing and running a Charter requires sufficient resources over a number of years to work effectively. For this reason mayoral backing is important. It also provides credibility to the consultation process by demonstrating that Charters are long-term programmes.

## 2.5. Summary

Charters require mayoral backing. None have been implemented in MCAs that were not included in the successful candidate's election manifesto. This inclusion demonstrates and provides political backing and also delivers discrete funding and momentum with the MCA and beyond. A desire to improve the quality of local jobs and widen access to those jobs drove the development of the MCA Charters.

Even before the development of MCA Charters, it was and still is a crowded market for charters with a number based on demographic groups or specific areas. The MCA Charters were mostly developed with reference to Charters in other regions, in particular the early adopters - GLA and GMCA. Cross-MCA working has also been important amongst those regions in the process of developing them. The charter-like initiatives in Scotland and Wales have also been influential.

The extensive involvement of the full range of stakeholders and key partners in the development and the design of the Charters has also been a key feature. This involvement provides a number of practical benefits, the main one being the ownership and buy-in across local constituent groups. This engagement makes the Charters in each MCA appropriate and relevant to that place and makes them easier to promote and deliver. This engagement has to be more than initial involvement, and mechanisms for maintaining interest and involvement need to exist.

## 3. Content of the Charters

### 3.1. Introduction

This section analyses the content of the Charters and maps this content against the set of standard measures of Good Work recommended for use by the UK Government. It seeks to determine the commonalities and differences between the contents of both. The first part draws on the document review.

### 3.2. Dimensions of Good Work and the MCA Charters

Following the *Taylor Review of Modern Working Practices* and subsequent launch of the UK Government's *Good Work Plan*, the Measuring Job Quality Working Group was established by the Carnegie UK Trust and the RSA. Co-Chaired by Matthew Taylor, it was tasked to develop a set of standard measures of job quality for the UK.<sup>26</sup> This standardisation of

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<sup>26</sup> Irvine, G., White, D. and Diffley, M. (2018). *Measuring Good Work: The final report of the Measuring Job Quality Working Group*. Dunfermline: Carnegie UK Trust/RSA.

measures was regarded as essential to the monitoring and reporting of progress to delivering Good Work in the UK.

Based on a review of existing research and with the involvement of employers, trade unions, civil society organisations and the Office for National Statistics, the Carnegie/RSA working group identified seven dimensions<sup>27</sup> of Good Work. Each dimension has a number of indicators. Pay for example includes level of pay – an objective measure – and satisfaction with pay – a subjective measure. These seven dimensions were then recommended for use by the UK Government, with the ONS subsequently seeking to support the measures with data. These dimensions are shown in Figure 1.

**Figure 1: Dimensions of job quality**



Source: Irvine et al. (2018).<sup>28</sup>

These dimensions of job quality, or Good Work, have been used in this review to benchmark the contents of the MCA Charters. As noted above, the different dimensions of the MCA Charters and their criteria were developed through an iterative local consultation process and by reference to other charters in England and elsewhere. Figure 2 shows the dimensions listed in the six MCA Charters.

<sup>27</sup> There were initially six dimensions but at the recommendation of the CIPD, one of the six – ‘Job design and the nature of work’ – was split to pull out ‘Social support and cohesion’ to make a seventh.

<sup>28</sup> Irvine et al. (2018) op cit.

**Figure 2: Dimensions and levels of the MCA Charters**

MCA area	Dimension		Level
<b>GLA</b>	<ul style="list-style-type: none"> <li>Fair pay</li> <li>Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Skills and progression</li> <li>Diversity and recruitment</li> </ul>	<ul style="list-style-type: none"> <li>Foundation</li> <li>Achievement</li> <li>Excellence</li> </ul>
<b>GMCA</b>	<ul style="list-style-type: none"> <li>Secure work</li> <li>Flexible work</li> <li>Pay</li> </ul>	<ul style="list-style-type: none"> <li>Engagement and voice</li> <li>Recruitment</li> <li>People management</li> <li>Health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Supporter</li> <li>Member</li> </ul>
<b>LCR</b>	<ul style="list-style-type: none"> <li>Inclusive</li> <li>Just</li> </ul>	<ul style="list-style-type: none"> <li>Healthy</li> <li>Fair pay &amp; conditions</li> </ul>	<ul style="list-style-type: none"> <li>Aspiring</li> <li>Accredited</li> <li>Ambassador</li> </ul>
<b>NoTCA</b>	<ul style="list-style-type: none"> <li>Value &amp; rewards</li> <li>Health &amp; wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Community &amp; representation</li> <li>Balanced workforce</li> <li>Social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Standard</li> <li>Advanced</li> </ul>
<b>WoECA</b>	<ul style="list-style-type: none"> <li>Secure work</li> <li>Flexible work</li> <li>Real Living Wage</li> </ul>	<ul style="list-style-type: none"> <li>Engagement and voice</li> <li>Recruitment</li> <li>Developing people</li> <li>Health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Supporter</li> <li>Member</li> <li>Advocate</li> </ul>
<b>WYCA</b>	<ul style="list-style-type: none"> <li>Opportunity</li> <li>Security</li> </ul>	<ul style="list-style-type: none"> <li>Wellbeing</li> <li>Employee Voice</li> <li>Fulfilment</li> </ul>	<ul style="list-style-type: none"> <li>To be developed</li> </ul>

Source: Warwick IER

Each dimension has a series of conditions that must be met to satisfy the criteria within each dimension. For example, one of the criteria for flexible working is that full- and part-time workers must have the same working conditions.

All of the MCA Charters have a number of dimensions that relate to the dimensions of Good Work. All but one of the seven dimensions outlined by the Carnegie/RSA working group are included in each of the MCAs' Charters. The exception is 'Social support and cohesion' which relates to peer/colleague and line manager relationships. This dimension is not explicitly mentioned in most Charters, although it may be implicit within some of the dimensions of some of the MCA Charters, for example as part of 'wellbeing' or 'people management'.

Pay features in all the Charters but its definition varies. For some MCAs, paying staff the Real Living Wage (as defined by the Living Wage Foundation) is used as the criteria. Other MCAs use different definitions of good pay in their Charters.

Conversely, an important dimension that is included in MCA Charters but is absent from the Good Work dimensions, is diversity and inclusion. The reason for this difference is that the Carnegie/RSA working group review focused only on aspects of the job rather than wider organisational or labour market outcomes. However, given the focus on inclusive growth for example, most MCAs see this issue as a key component of their Charters.

The next part of this section is based on interviews with Charter leads in six MCAs.

### **3.3. Levels of Charter involvement**

MCA's wanted the dimensions and criteria to be challenging but not off-putting to employers, especially small firms. In some cases the process of developing the Charter resulted in a narrowing down of the dimensions to a more manageable number (in one case from nine to five). Having agreed the dimensions, a key next step was to use appropriate and accessible language to describe them to employers to assist understanding and engagement. Another critical aspect was that the criteria needed to be demonstrable and readily measurable so that evidencing compliance with the criteria was not bureaucratic and onerous for employers.

Another feature of all the MCA Charters (except WYCA which is currently in development) is the use of different levels of adoption to which employers can sign up. There are minimum requirements for the 'standard' levels, and then more advanced levels. For example, in the GLA's Good Work Standard under Financial wellbeing, 'Foundation' employers should provide information and guidance on financial wellbeing and debt management. Whereas under the 'Excellence' level, organisations should provide employees with practical financial assistance such as promoting the use of Credit Unions, offering a payroll saving scheme and support with housing costs. In two MCAs there is an 'Advocate' or 'Ambassador' level where an employer's role is not just to meet the criteria but also to promote the Charter.

The rationale for having different levels is usually two-fold. Firstly, to attract smaller employers who may not have the internal resources (e.g. an HR function) or formal management processes (such as internal staff consultation processes) that would enable them to meet the highest level of the criteria. Secondly, to encourage and enable employers, who may be wary or reluctant to engage with the Charters, for example because they may believe the resource implications to be daunting, to be able to enter the process at a lower level. Once engaged they can then be supported to gain an appreciation of the benefits of Charter accreditation and encouraged to work up to higher level criteria.

### **3.4. Summary**

The UK Government has a set of measures of job quality, expressed as Good Work. Quite separate from UK Government policy, the MCAs have developed their own employment charters. However there is clear and significant overlap in the contents of Good Work and these Charters. There is a difference in the scope of both. Given that the Charters focus on both job quality and widening employment access, the Charters include dimensions that extend beyond the job and into the labour market.

The Charters also offer different levels of involvement for employers. Given that the Good Work dimensions were developed as measures, it is not unexpected that these levels of employer involvement are absent.

## **4. Charter promotion, application and accreditation processes**

### **4.1. Introduction**

This section is based on Charter leads in six MCAs. It outlines how the Charters are promoted to employers, and the application and accreditation processes of the Charters. It outlines the stages through which employers progress and the support provided by MCAs to encourage take up by employers of Charters.

## 4.2. Promoting the Charters

To date there has been significant promotional effort in each MCA to make employers aware of the Charters and encourage their engagement. Much of it has focused on the launch event of the Charters in each region. A variety of promotional mechanisms have been used:

- The full range of MCA communications channels including the MCA website, promotional and networking events, and social media.
- Direct contact with organisations:
  - those employers that MCAs are already directly engaging through their various activities, such as providing grant and other funding, those on supplier lists and those contacting or getting support via Growth Hubs etc.;
  - significant local organisations such as anchor institutions, large private sector employers or those with a high profile (e.g. Aardman Animations in WoECA). These can then be used as exemplars or to demonstrate a critical mass.
- Partner organisations, including local chambers of commerce and other employer representative organisations (e.g. CBI, FSB etc.), the TUC and individual trade unions, and third sector umbrella and representative organisations.
- Working with other charters, for example those MCAs working closely with the Living Wage Foundation, see the cross-over in target employers and may share contacts and promotions.

Charters are promoted to prospective employers as delivering a range of benefits:

- That it is the 'right thing to do'. This benefit is aimed at the Corporate Social Responsibility (CSR) aspects important to a number of businesses wanting to have a positive impact in their locality or market segment.
- On employers' 'bottom line' – that the elements within Charters lead to more effective business practices and thereby productivity gains and improved organisational performance (see HPW above).<sup>29</sup>
- Improving recruitment and retention by becoming an 'employer of choice' in a competitive labour market. This argument has gained more traction since the ending of the COVID-19 pandemic and the tightening of the labour market. Being able to recruit and retain high-quality staff can provide employers with a competitive advantage.

There has only been one external evaluation of an MCA Charters to date – for the GMCA Charter.<sup>30</sup> The evaluation found that organisations reported several reasons for engaging with the GMCA Charter:

*“The desire to support a specifically ‘Greater Manchester’ initiative was the most commonly reported reason for engaging with the Charter. Reputational considerations, and recognition of existing employment practice, were the other most frequently quoted reasons. However, the desire to make*

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<sup>29</sup> See <https://www.goodemploymentcharter.co.uk/wp-content/uploads/sites/4/2022/05/GEC046243-GOOD-EMPLOYMENT-MEMBER-BROCHURE-8PP-A4-V4-PRINT-READY-V3-2.pdf>. A forthcoming ReWAGE evidence paper outlines the business case for improving job quality in the UK.

<sup>30</sup> Lupton, B. et. al. (2021) op. cit.

*improvements to employment practice was also a driver for a majority of organisations.”*

In general, there is universal promotion to all employers rather than specific targeting to some. In those regions with initial targeting of specific organisations, these organisations tend to be those considered to be ‘low hanging fruit’ such as larger employers, social enterprises and public sector organisations. This type of targeting to gain quick wins and momentum is similar to that with initiatives such as the Real Living Wage.<sup>31</sup> In one region, the Charter was initially targeted at third sector organisations only.

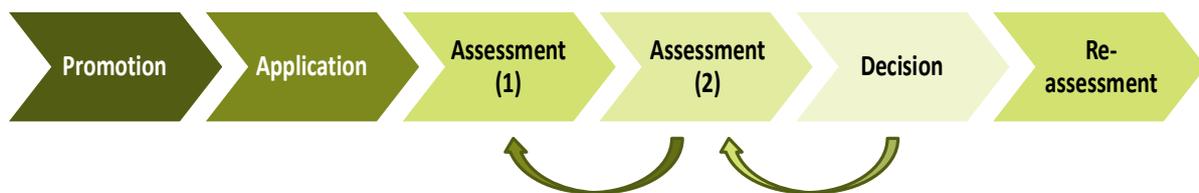
In some regions there is a sectoral targeting of businesses. This is closely related to target or priority sectors within the MCA. This approach is usually one element of a wider programme of support for businesses in a particular sector (e.g. the creative and cultural sector or the digital sector which are supported by grants or other funding and initiatives) and builds on the positive links and relationships already developed through such support.

In other MCAs, those sectors assessed as needing to improve work and employment practices are identified and targeted. The specific sectors mentioned were social care, logistics, distribution, hospitality and retail. MCAs tend to take a cautious and sensitive approach to these sectors as there is likely to be more resistance due to the greater distance to travel required in order to meet Charter criteria. Often these organisations are smaller employers in low-pay sectors with low margins and would need to be persuaded of the benefits of signing up to a charter if they felt it might negatively affect their competitiveness, especially, for example, if it required the introduction of higher wage levels.

### 4.3. Stages in the application and accreditation process

There are generally six stages in the application and accreditation process (see Figure 3): promotion; application; a two-step assessment process; decision; and re-assessment. There are also re-application and re-submission stages (represented by the curved arrows) should further support or evidence be required for an employer in fulfilling any of the criteria.

**Figure 3: The charter application and accreditation process**



Source: Warwick IER

<sup>31</sup> Heery, E., Hann, D. and Nash, D. (2017) ‘The Living Wage campaign in the UK’, *Employee Relations*. 39(6): 800-814. Heery also found that employers signing up to the Scottish Business Pledge tended to be in high wage industries with existing good work practices, such as Professional, scientific and technical activities which accounted for 40% of pledgers, see Heery, E. (2022) Notes on Employment Charters, unpublished; and <https://scottishbusinesspledge.scot/news/scottish-business-pledge-statistical-overview-september-january-2020/>

## *The application, assessment and decision process*

The initial charter application process is designed to be as uncomplicated and straightforward as possible. In some MCAs there is an online application form, in others it is via the Growth Hub, whilst in some it is through direct application. In most cases the initial application is a 'tick box' exercise or simply answering Yes/No to a series of questions.

There is then a light touch initial assessment of the application by the members of the Charter team. This assessment is followed up with a more detailed questionnaire requiring supporting evidence. Again, making the process as bureaucratically straightforward as possible is an important concern. For example, in one MCA the more detailed questionnaire still only requires Yes/No answers.

Some MCAs have further reduced the burden on some employers by allowing accreditation of other charters to count as evidence to the criteria to the MCAs' Charters. One MCA has developed a matrix identifying which other charters count as evidence contributing to the particular criteria. Supporting evidence is usually in the form of existing documentation that an employer is likely to already possess e.g. payslips, contracts or the organisation's stated policies (which could be statutory or non-statutory, such as flexible working statements).

Support is provided to employers throughout the process by the Charter teams. Some MCAs have detailed resource pages on websites which provide a wealth of information on the dimensions and how to meet the criteria as developed, in some cases, by specialist organisations such as ACAS and the CIPD. For example, GMCA's Good Employment Charter has a webpage dedicated to supporting employers to apply for and work towards the Charter.<sup>32</sup> This webpage contains various documents against each of the seven dimensions. The website also contains podcasts. The GLA runs workshops (via its Growth Hub) aimed at supporting employers to engage with their Good Work Standard, as well as providing ongoing support once accredited. Dedicated support is also often provided from the Charter teams themselves or via business support staff within the Growth Hub.

As employers move through application and accreditation, more MCA resources are required to support the process as it becomes more formal. For example, there are usually formal assessment panels which, in some cases, involve external partners. Panels can be held regularly (e.g. on a monthly basis) or when sufficient applications are ready so several can be assessed at the same meeting. Re-submissions can be made at any stage throughout the process, with associated support provided, to ensure those organisations that go forward have the maximum chance of success. The final decision is either made by a panel or within the MCA Charter team itself. The process does not differ between the different levels of accreditation.

## *Re-assessment*

The re-assessment process is still evolving in the MCAs because much of the emphasis to date has been on developing and implementing the Charters. Organisations' re-assessment though is beginning to occur in the early-adopter MCAs (one has a stated four-year lifespan of accreditation before re-assessment). In some other MCAs re-assessment and re-application processes are being developed. These procedures are likely to be similar to the original application process involving a questionnaire, provision of evidence and a final assessment.

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<sup>32</sup> <https://www.gmgoodemploymentcharter.co.uk/support/>

## 4.4. Summary

Charters are promoted to employers on the basis of being good for business. A key aspect of the Charters has been to make them inclusive of, and relevant to, all types of employers. MCAs are especially sensitive to making the application and accreditation processes as easy and straightforward as possible.

Support is provided by the MCAs to enable employers to work through these processes. This support becomes more resource intensive as the processes become more formal. As yet, because they are relatively new, little work has been undertaken by MCAs on the re-accreditation of employers.

## 5. Progress to date

### 5.1. Introduction

This section analyses progress to date in rolling out the Charters and the next steps in that roll out. It outlines the extent of Charter take up amongst employers, and the ongoing management and operation of Charters by MCAs. It also highlights the tensions in developing and implement the Charters.

### 5.2. Number and types of employers accredited

The number of accredited employers from the four MCAs that provided data ranges from 50 to 400. Whilst the numbers may appear small, these tend to be large organisations so the number of workers covered can be substantial. For example, in 2021 the GMCA had signed up 200 employers covering 200,000 employees.<sup>33</sup> It must also be remembered that most of the Charters are relatively new, with only a short length of time since their launch. In addition, the application and assessment process has been affected by the COVID-19 pandemic over the past two years.

For some MCAs the volume of employers signing up to date represent the 'low hanging fruit': there are a number of organisations which, given the nature of their business and their business model, are more predisposed or attracted to Charters. For example, those organisations in sectors with existing good work practices and/or relatively high pay levels, such as business and professional services, and the public and third sectors. In addition, as mentioned earlier, there are a number of organisations that are more likely to already meet key work and employment criteria such as higher pay, flexible working, wellbeing and representation given the sectors in which they operate. These organisations find it easier to commit to, align with and evidence the dimensions and criteria of the Charters given their existing quality of work and employment, and so need to make fewer, if any, changes to their existing business practices.

Nonetheless, MCAs have made progress in accrediting a number of smaller employers and businesses in sectors perceived as having further to travel to meet the criteria, such as those in manufacturing and transport.

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<sup>33</sup> Lupton, B. et. al. (2021). The Greater Manchester Good Employment Charter Evaluation: Interim Report Stage One, GMCA.

Two MCAs have set targets for the number of accredited employers. For one it represents 5% of their local employer base. Other MCAs have deliberately avoided setting targets because much of the work to date has been in developing and implementing their Charters rather than pursuing employer numbers.

### **5.3. Ongoing management and operation**

As mentioned above, Charters are managed from within MCAs and hosted in different functional areas of the MCA. The number of staff involved in running the Charters varies from three to seven, although not all of these people work full-time on the Charter. All of the Charters are core-funded by their MCA, with committed funding over the future medium-term. The level of funding varies significantly across the MCAs due to their varying sizes. It is difficult to assess levels of funding devoted to the Charter in each region as some functions (e.g. communications and marketing) are provided by other parts of the MCA.

In some regions, management of the Charter also includes an external representative board. For example, GMCA has a Programme Board with representation from the main partners, including individual businesses, anchor institutions, the TUC, individual trade unions, Greater Manchester Chamber of Commerce, the CIPD, ACAS, local authorities and the GMCA.<sup>34</sup>

Resources are required to track outcomes and some form of monitoring is necessary to ensure that the charter is not a 'tick-box' exercise. Monitoring and evaluation processes are still being developed. These processes usually take the form of reporting to the respective internal reporting boards, the number and types of businesses that are applying and accredited.<sup>35</sup>

To date, of the Charters identified as part of this review, only the GMCA's Charter has been externally evaluated. This evaluation involved a survey of employers that had signed up to the Charter.<sup>36</sup> The evaluation's aim was to understand the motivations, engagement and experiences of Charter organisations and its perceived impact, along with a range of stakeholder views on the development and progress of the Charter. It included a survey of organisations' Charter Leads (59 respondents) followed by qualitative interviews with seven of these respondents.

Measures of success to date had mostly been about getting the Charters developed and implemented given that many were only begun post-2018 and had to be devised throughout the COVID-19 pandemic. Few have targets or metrics of success apart from numbers and types of organisations that were presented to, and discussed at, the reporting boards.

### **5.4. Future plans**

The Charters are dependent on political backing from the MCA mayor which means that none are guaranteed life beyond the next mayoral election. As many of the Charters are only recently implemented, the next stages are more about consolidation than any new developments.

Having successfully recruited mostly amongst 'low hanging fruit' employers, the next cohort of employers may be more difficult to engage, and these employers might be more in need of improving their work and employment practices, and so also adapting their business models.

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<sup>34</sup> <https://www.gmgoodemploymentcharter.co.uk/about/meet-the-team/>

<sup>35</sup> Lupton et al. (2021) op. cit.

<sup>36</sup> Lupton et al. (2021) op. cit.

One mechanism to attract more employers is through sectoral targeting, which has happened to a limited extent to date. One approach is to target those sectors MCAs currently support or to identify those industries where take up of Charter interest and/or accreditation has been slow.

Some MCAs have a number of sectors with which they currently engage or want to prioritise including fashion, health and social care, hospitality, leisure, retail, tourism, and warehousing and distribution. These are mostly sectors with relatively low levels of pay which is why they have been identified. This is where the Charters might have most impact on work and employment conditions. One approach is to develop sector-friendly versions of the Charters, for example incorporating tipping as a feature for a hospitality-focused charter. Another is to build on already high levels of engagement with specific sectors, such as tourism, and promote charters alongside other business support and investments in the sector. Some MCAs mentioned targeting employers in the gig economy and micro businesses, which may require more effort and engagement with new partners (e.g. Enterprise Agencies), as these are types of employers with which MCAs have undertaken less work to date.

In broadening out the Charters, MCAs are seeking to develop the benefits from accreditation. One approach is to develop peer networks i.e. bringing like-minded employers together to provide mutual business support and learning. Another feature is having high-profile awards ceremonies so that employers receive high levels of public and sector exposure when they achieve the Charters.

There is a debate within the MCAs as to whether charter accreditation should be a condition of receiving MCA financial services and support (e.g. business loans) or a condition of being a supplier. The argument in favour is that by so doing it provides a financial incentive to the employer and which might also benefit the employer by offsetting the costs of implementing the Charters. This approach is one being championed in Wales for example, which wants to signal to the market and public through government procurement the importance of Fair Work.<sup>37</sup> The counter argument is that it may be a deterrent to some employers and may offset other work within the MCA, such as trying to bring smaller employers into procurement processes and supplier lists.

An option that some MCAs are considering is the development of higher levels of accreditation. In particular, including an 'Ambassador' level which already features in some MCAs. These organisations would provide case studies of impact and be used to promote the benefits of Charter accreditation to other businesses in the region.

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<sup>37</sup> See the initial policy document <https://gov.wales/sites/default/files/publications/2019-05/fair-work-wales.pdf> and the follow through in 2022 with <https://gov.wales/sites/default/files/pdf-versions/2022/4/4/1651136355/wppn-11-21-ethical-employment-in-supply-chains-for-the-welsh-public-sector.pdf>

## 5.5. Tensions in the pursuance of Charters

Developing and implementing the Charters to date has involved MCAs navigating a series of tensions:

- **Rigour and efficacy.** A balance is needed to be struck between having Charters which seek to raise the quality of work and employment in the region but which are not so rigorous that few employers can sign up. In navigating this tension, having wider stakeholder input in the development stage is invaluable in that it can help create the right balance of outcomes for employers.
- **Having different levels of sign up.** To some extent this varying accreditation was a solution to having a balance between rigour and efficacy, allowing employers the opportunity to sign up while they are still working towards the commitments. This approach reflects the distances that different organisations have to travel to meet the criteria either because of their business model, their size and/or the sectors in which they operate. A key feature is the extent to which those employers being accredited with the lesser criteria are then able to progress to higher levels and what is required to get them there.
- **Relationship with the Real Living Wage.** For some Charters, paying the Living Wage Foundation's Real Living Wage is a compulsory criterion. Other MCAs have different definitions of good pay which is generally lower. One MCA is in the process of moving to the Living Wage Foundation's Real Living Wage pay rate. This criterion can be a particular concern for some organisations necessarily predisposed to Charters, including local authorities, but which also operate in low-wage sectors such as adult care.
- **Relationship to procurement.** As was mentioned above, there are discussions within different MCAs as to whether Charter accreditation should be a condition of MCA suppliers or receivers of MCA financial support. Some have made a decision and will introduce it albeit it in a limited form (e.g. for large contracts). Both Scotland and Wales are using public sector procurement and supply chains to promote and instil their Fair Work agendas.<sup>38</sup>
- **Links to supply chains.** Employers in some sectors, such as construction, can subcontract much of their work. An outcome could be that a lead contractor may have good work and employment practices, but this situation may not run through their supply chain. Addressing this issue is a live point of discussion within MCAs. Some other Charters, such as that of the Living Wage Foundation, make it a condition that the Real Living Wage should apply throughout the supply chain. Currently MCAs are being flexible. For some, it may be a condition in larger contracts and one MCA is currently trialling this approach in two of its largest contracts.

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<sup>38</sup> For Scotland see <https://www.gov.scot/publications/implementation-of-fair-work-first-in-scottish-public-procurement-sppn-6-2021/>; and for Wales <https://gov.wales/sites/default/files/pdf-versions/2022/4/4/1651136355/wppn-11-21-ethical-employment-in-supply-chains-for-the-welsh-public-sector.pdf>. Note that in 2020 the UK Government introduced a 10% social value criterion in the award of its public procurement contracts which could be used to include job quality, see <https://www.gov.uk/government/news/new-measures-to-deliver-value-to-society-through-public-procurement>

## 5.6. Summary

This section has focused the progress in pursuing the take up of Charters amongst employers, the next steps in the roll-out of those Charter and has also highlighted the tensions in doing so to date.

MCAs are now consolidating the delivery of their Charters. There is an appreciation that there are a number of businesses in any region that are more predisposed to the aims and objectives of a charter and that a number will meet the criteria with little extra effort. For other businesses, a range of support has been developed and, in their promotional efforts, MCAs are keen to identify the benefits of accreditation with employers. In this endeavour, MCAs have been helped recently by the tightening of the labour market and an employer focus on what they can do to help recruit and retain high-quality staff.

MCAs are also considering a series of next steps, including making accreditation a requirement in their procurement processes. Because Charters are relatively new, there is little evaluation of the actual outcomes of employer adoption of the Charters.

In making the application and accreditation process easy and straightforward there is a tension existing in balancing efficacy with rigour, with MCAs wanting to be inclusive with employers whilst yet encouraging them to raise the quality of their work and employment. However, because Charters are relatively new, there is no external evaluation to date of their outcomes for employers or employees.

## 6. Conclusions

This section summarises the findings from the review of the MCA Charters, identifies a number of insights and lessons that will help the future development of Charters and makes recommendations to support UK Government Good Work policy development.

### 6.1. Summary

The UK Government is an advocate of Good Work and wishes to see job quality improve, not least because of the benefits to businesses.<sup>39</sup> However, since this commitment was made, the Government has been slow to develop policies that might deliver Good Work.<sup>40</sup> Furthermore, whilst the recent Levelling Up White Paper references the need for more high-quality jobs in the regions, no plan to achieve this aim is offered.<sup>41</sup> In the absence of policy development by the UK Government, it is arguably the MCAs in England are driving job quality policy in England in the form of employment charters. These Charters are relatively new, with the earliest launched in 2019.

Whilst there is a lot of information sharing amongst the MCAs in the development of their Charters, diversity exists as each reflects differing local needs and aspirations. Given that the past two years have been significantly affected by the Covid pandemic, the MCAs have made

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<sup>39</sup> HM Government (2018) op cit.

<sup>40</sup> Note that of the 51 (out of 53) Taylor Review recommendations, the Government accepted only seven have been legislated, though some others have been actioned short of legislation, see Dobbins (2022) op. cit.

<sup>41</sup> HM Government (2022) Levelling Up the United Kingdom.  
<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

remarkable progress in developing and implementing their Charters. This review has provided an overview of the MCA Charters from which insights can be identified that might inform UK Government policy development as well as the development of future MCA Charters.

There are variations between the Charters' focus and content reflecting the importance of place and different places' needs, and a function of the extensive local consultation. There are also a number of common features across all of the six Charters, in part because of the sharing of information. The experiences of the early adopters – GLA and GMCA – and the initial work that they undertook has benefitted the development of the more recent Charters. This sharing of information is a practice that MCAs are keen to continue as they begin to consolidate the implementation of their Charters and work on further developments, such as evaluation.

There are a similar range of dimensions to all of the Charters and, to a large extent, the dimensions covered in the Charters reflect the dimensions of Good Work identified by the Carnegie/RSA working group and recommended to the UK Government. On the one hand this alignment is not surprising given that the seven dimensions of Good Work are based on the identification of common dimensions from a review of existing job quality research. On the other hand, it lends reassurance to the UK Government that the recommended Good Work measures have credibility and operability. There is some divergence. For MCAs equality, diversity and inclusion is a key additional dimension in their Charters because their coverage extends out of workplaces and into the labour market as a response to MCA concerns with inclusive growth.

The main driver of all the Charters has been mayoral backing. None have been implemented where this backing is absent. However, MCA Charters need to develop beyond the support of specific mayors if they are to be sustained in the long term. Creating more good jobs has no axiomatic political home. It is championed by both main political parties.<sup>42</sup> However there is a mixed response from these parties in pursuing this creation. There are Labour-controlled MCAs with and without a Charter. Surprisingly given the strong policy steer from the Conservative UK Government in the form of the Good Work Plan and repeated calls for more good jobs made by Prime Minister Boris Johnson and Chancellor Rishi Sunak, there are no Conservative-controlled MCAs that currently have or are developing Charters (at the time of the review).

Importantly the Charters need to engage with and be relevant to those employers who are less predisposed to, or do not already incorporate, many of the work and employment practices encouraged by the Charters. Accreditation offers a basic incentive by enabling employers to offer themselves as a good employer. Soft incentives such as networking opportunities, publicity and toolkits and signposting to relevant services may also encourage take-up. Hard incentives may include offering access to procurement or access to skills funding to businesses that sign up.

Part of the process of engagement has been to make the accreditation processes as straightforward and relevant as possible whilst still maintaining rigour. An important incentive is to demonstrate to employers the benefits of accreditation. The evaluation of GMCA's Charter shows that place is an important factor in employer buy-in, wanting to demonstrate that the organisation is already a good local employer as well as the desire to improve work and employment.

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<sup>42</sup> Dobbins (2022) op. cit.

MCA's now want to develop agglomeration effects from their Charters by working together and providing peer support. MCA's are also considering more sector-focused initiatives, targeting sectors that are considered to have poorer work and employment. A key point of discussion is whether to have accreditation as a criterion for employers for receipt of MCA financial support and involvement in procurement. Some MCA's have made this decision and others are considering it.

It is still early days and the impact of the Charters on regional work and employment has not and cannot yet be evaluated. Whilst the numbers of employers signed up to Charters may be relatively small, the number of workers that they employ is significant as they tend to be large employers.

Only one Charter has been independently evaluated and then more focused on process than outcomes. As a consequence, the impact of Charters on employers and their employees is unknown. Over the next few years MCA's will be better able to evaluate the impact of their Charters. In the meantime, the sharing of information between MCA's needs to continue as the Charters develop, particularly in relation to engaging with harder to reach employers, effective support to employers, and benefits to and incentives for employer engagement.

## 6.2. Insights and lessons

Whilst independent external evaluations of the MCA Charters are absent, there are nevertheless a number of insights and accompanying lessons that this review provides:

- All of the Charters were triggered by mayoral candidates in the MCA's. **Political backing is crucial** to the local emergence, visibility, legitimacy and resourcing of Charters. However, Charters need to be able to be sustainable beyond the political backing of particular mayors.
- **Sharing information** is a key feature of MCA Charters' development, especially information sharing from the early adopters. The future development of Charters would also benefit from this sharing of information, for example on the issue of including procurement criteria or extending coverage to hard-to-reach employers and sectors. Based on this information, there is scope for ACAS or the CIPD to work with MCA's to produce a reference document that might include a 'how to' guide plus implementation toolkits/checklist for MCA's' use.
- There is **strong co-design and co-development of Charters' content**. MCA's have benefitted from the inclusion of a wide range of organisations in their partnerships, with different organisations providing differing types of assistance and support. Partners should be involved in the early stages so that they can develop 'ownership' of the Charters, as well as developing mechanisms for meaningful involvement to encourage their continued buy-in.
- **The role of place is important** in Charters' introduction and development. In the one evaluation that has occurred, 'place' was cited as the primary reason employers signed up to the Charter i.e. the fact that it was a local-based initiative. There needs to be a locally based development and consultation process that root Charters firmly in the local landscape. It also means that Charters' future development requires the maintenance of strong local partnerships.
- **Business buy-in** helps provide credibility and momentum for Charters. This buy-in is initially created through the involvement of 'anchor' organisations (predominantly

public/quasi-public, and other not-for-profit) and other key (mostly large) local employers. Engagement with Charters needs to extend to other, often smaller organisations which, arguably, need more support to improve their quality of work and employment.

- There is a **strong element of pragmatism** in the engagement of employers. MCAs want to raise standards of work and employment, and labour market inclusion, but need to take employers with them on this journey. Application and accreditation are made easy and straightforward in order to engage employers and incentivise take up. In this respect, a balance exists between rigour and efficiency. This balance can be maintained through the partnership approach to Charters' development and implementation.
- **Support for employers is required** to help them through Charters' initial accreditation process and then progress to higher levels of accreditation. MCAs have developed a range of mechanisms including on-line resources, personal support from Charter Team members, podcasts and training sessions. MCAs are in the process of developing peer support mechanisms where employers can mutually support each other. Resources are needed to provide this support.
- **Enhance accessibility and reduce friction.** Engaging with, signing up to and re-accrediting the Charters needs to be as straightforward and bureaucratically simple as possible. MCAs have achieved this through: online access; business-friendly language; straightforward evidence requirements; and the provision of ongoing support. A key mechanism has been to have different levels of accreditation. These different levels are a mechanism for engaging with a wide range of employers as a first step in the further development of their employment practices.
- **There are a number of motivations and incentives for employer take up of Charters.** These reasons include place (see above) but also Charters' role in helping employers to recruit and retain staff; CSR motivations; and impacts on business performance. Each of these reasons require substantiating, most obviously through an independent evaluation of Charters' outcomes. In addition, there is a growing body of evidence of the impacts of good work on business performance that could be marshalled to publicise Charter benefits and further encourage employer take up.<sup>43</sup> This is a task that BEIS might consider (see recommendation below).
- **'Soft' regulation is important but is unlikely to be sufficient** to achieve widespread adoption of better standards of work and employment. Some employers are not just hard to reach but hard to engage. Statutory regulation is likely to be required to develop minimum standards of work and employment (as has happened to address low pay). Action on this need will be required from the UK Government so long as employment law remains a reserved matter.<sup>44</sup>

As expressions of policy to improve job quality, MCA Charters can be useful levers to help improve business performance, encourage labour market access and support levelling up.

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<sup>43</sup> See, for example, Dickinson, P. et al. (2018) Job Creation by Organisation Type: Cooperatives in selected European Countries, Dublin: Eurofound; Bosworth, D. L. and Warhurst, C. (2020) Does good work have a positive effect on productivity? In G. Irvine (ed.) Can Good Work Solve the Productivity Puzzle? Dunfermline: Carnegie UK Trust.

<sup>44</sup> Warhurst and Knox (2022) op. cit.; Dobbins (2022) op. cit.; Heery (2017) op. cit.

They are championed by the English regions, respond to local needs and aspirations, and are important for local businesses and workforces. The MCAs have done remarkably well over recent years, particularly in the context of the Covid pandemic, to progress the number of Charters.

However, as the number of regional charters increases, there will be a challenge for businesses that operate either cross-region (in the North of England for example) or UK-wide if they need to adopt multiple, different Charters. Fortunately, although differing in name, there are sufficient commonalities of content across the current Charters and with the UK Government's Good Work Plan. This commonality is useful. It can be used to develop compatibility amongst the Charters whilst maintaining their place-based distinction. This future development might be undertaken by the MCAs themselves collectively, though might benefit from the coordinative support from either ACAS or the CIPD. The aim would be to extend coverage of Charters in a way that is helpful to business whilst maintaining their devolved governance.

### 6.3. Recommendations for the UK Government

Providing cross-Charter underpinning support is a role that the UK Government might provide. Since the publication of the Good Work Plan in 2018<sup>45</sup> the UK Government has been largely absent from developments in this policy area. In that absence, devolved authorities in England and devolved government in the other home nations have taken forward the policy agenda. The UK Government can be more proactive, providing useful, facilitating support across this range of initiatives. This support would help further the Good Work Plan and also help further levelling up by improving job quality<sup>46</sup> in the English regions:

1. The UK Government, more specifically BEIS, should **promote research into the impact of Good Work practices on firm performance** e.g. productivity, and recruitment and retention. This material could then help persuade firms of the benefits of Good Work. ReWAGE will shortly produce an overview of the existing but limited research. However more research and the collation and curation of this research is required.
2. The UK Government, perhaps through ACAS and working with the FSB, should **encourage the provision and/or collation of effective practice support materials** to enable firm to achieve aspects of Good Work. This support would help those organisations that might find Charter accreditation more challenging (e.g. SMEs and organisations in low-pay sectors).
3. Through the ONS and based on the Good Work measures, the UK Government should **develop and provide a dataset for job quality that applies to the whole of the UK** and by which, in the future, the outcomes of specific Charters might be evaluated as well as enabling cross-Charter comparisons of those outcomes. ReWAGE has already made suggestions about how this dataset might be created.<sup>47</sup>

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<sup>45</sup> HM Government (2018) op cit.

<sup>46</sup> ReWAGE has already argued that there should more emphasis on improving job quality as part of the levelling up agenda, see [https://warwick.ac.uk/fac/soc/ier/rewage/publications/levelling\\_up\\_policy\\_briefing\\_october2021.pdf](https://warwick.ac.uk/fac/soc/ier/rewage/publications/levelling_up_policy_briefing_october2021.pdf)

<sup>47</sup> Elias, P. (2022) Monitoring UK job quality – a feasibility study for developing a new approach, [Microsoft Word - Mapping indicators of the quality of work on to large scale data sources 050722 FINAL cw \(warwick.ac.uk\)](#)

This support would help develop an overarching approach rather than the current patchwork approach, one that draws on regional and other initiatives to create a national infrastructure of employment Charters to help improve job quality.

## About the authors

1. This evidence paper was authored for ReWAGE by Peter Dickinson (Warwick University). Contributions to its development were provided by Chris Warhurst (Warwick University), Ed Heery (Cardiff University), Gill Dix (ACAS) and Sally Wright (Warwick University).
2. This evidence paper represents the views of the author based on the available research. It is not intended to represent the views of all ReWAGE members.

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## About ReWAGE

2. ReWAGE is an expert advisory group to support government's strategic response to the recovery and renewal of work and employment in the UK as it tackles the impact of COVID-19.
3. Its recommendations cover: the maintenance and creation of jobs, improving the quality of jobs, ensuring that the workforce has the right skills to access those jobs, and access to training and jobs is available to all. Its scope covers employers, employees and the self-employed.
4. Website: <https://warwick.ac.uk/fac/soc/ier/rewage/>
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