

## Policy Briefing

### Review of Employment Charters in the English Mayoral Combined Authorities

#### Introduction

The UK Government is an advocate of Good Work and wishes to see job quality improve, not least because of the benefits to businesses. However, since a commitment was made to deliver a Good Work Plan in 2018, the UK Government has been slow to develop policies that might deliver better job quality, and although the recent Levelling Up White Paper referenced the need for more high-quality jobs in the regions, no plan to achieve this aim is offered. In the absence of policy development by the UK Government, it is arguably the regional Mayoral Combined Authorities (MCAs) in England that are driving job quality policy in England in the form of employment charters.

There are 10 MCAs (including the Greater London Authority) and to date five have launched a charter promoting Good Work, Fair Work or similar. Another MCA is in the final stage of developing its charter.

Reviewing these regional initiatives is beneficial to the UK Government and other governments within the UK. Although regional devolution leading to intentional differentiation can make comparisons difficult, there will be examples of leading-edge practice that can be shared across England, if not the UK, and which can also help support policy development by the UK Government.

#### Review findings

Despite the significant impact of the pandemic over the last two years, the MCAs have made remarkable progress in developing and implementing their charters, and while there has been a lot of information-sharing amongst the MCAs in the development process, diversity exists as each reflects differing local needs and aspirations – the result of extensive local consultation.

There are a similar range of dimensions to all of the charters, which largely reflect the dimensions of Good Work identified by the Carnegie/RSA working group and recommended to the UK Government in 2018. This should reassure the UK Government that the recommended Good Work measures have credibility and operability.

The main driver of all the charters has been mayoral backing – none have been implemented where this backing is absent. Creating more good jobs has no axiomatic political home and is championed by both main political parties. However, there is a mixed response from the parties in pursuing this goal. There are Labour-controlled MCAs with and without a charter. Surprisingly, given the strong policy steer from central government in the form of the Good Work Plan, there are no Conservative-controlled MCAs that currently have or, are developing, charters.

Charter accreditation enables employers to offer themselves as a good employer. Part of the process of local employer engagement has been to make the accreditation processes as straightforward and relevant as possible. An important incentive is to demonstrate to employers the benefits of accreditation. Whilst the numbers of employers signed up to charters may be relatively small, the number of workers that they employ is much larger as they tend to be large employers.

The impacts of the charters on regional work and employment have not and cannot yet be evaluated. Over the next few years MCAs will be better able to assess the impact of their charters.

### **Insights and lessons**

In the absence of independent external evaluations of the MCA charters, there are a number of insights and accompanying lessons from the ReWAGE review that are helpful:

- Mayoral backing is crucial to the local 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. There is scope for ACAS or the CIPD to work with MCAs to produce a reference document that might include a 'how to' guide plus implementation toolkits/checklist for MCAs to use.
- There is strong co-design and co-development of charter content involving a wide range of organisations in their partnerships. Partners should be involved in the early stages so that they can develop 'ownership' of the charters and have continued buy-in.
- The role of place is important in charters' introduction, development and take up amongst employers, and their future development requires maintaining strong local partnerships.
- Business buy-in helps provide credibility and momentum for charters. This buy-in is initially created through the involvement of local 'anchor' organisations and other key (mostly large) local employers.
- Engagement with charters also 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.
- Engaging with, signing up to and re-accrediting the charters needs to be as straightforward and bureaucratically simple as possible for employers. A key mechanism is to have different levels of accreditation.
- 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.

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 to improve job quality amongst these employers. Action will be required from the UK Government because employment law remains a reserved matter for Westminster.

### **Developing future policy**

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. However, as the number of regional charters increases, there will be a challenge for businesses that operate either cross-region 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 and 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.

Providing cross-charter underpinning support is a role that the UK Government might provide. Since the publication of the Good Work Plan in 2018 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 progressed the policy agenda. The UK Government can provide useful, facilitating support across these initiatives:

- 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.
- 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).
- 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.

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**

- This evidence paper on which this briefing is based 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).
- The 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**

- ReWAGE (<https://warwick.ac.uk/fac/soc/ier/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. 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.