

Report to: Business, Economy and Innovation Committee

Date: 26 July 2023

Subject: **Fair Work Charter**

Director: Phil Witcherley, Interim Director Inclusive Economy, Skills & Culture

Author: James Flanagan, Head of Public Service Reform

Is this a key decision?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. To provide an update on the development of the Mayor's Fair Work Charter, set out the next steps on implementation, and seek the in-principle commitment of private sector members to be amongst the early adopters.

2. Information

Aim of Charter

- 2.1 A key shared regional ambition is to ensure a fair and just economy. This includes the Mayor's electoral pledge to develop a Fair Work Charter that enables collaboration with - and celebration of - our region's employers to help ensure West Yorkshire's workers receive the greatest possible security, best working conditions, as well as promoting greater employee wellbeing, workforce diversity, social mobility, and so accelerate Inclusive Growth.

First Phase of Development - Summer 21 to Spring 22

2.2. The following progress was made during the first development phase to Spring 2022:

- Following the announcement of the Mayor's commitment to developing Charter in Bradford in July 2021, an expert Steering Group established by the Mayor in Autumn 2021.
- Chaired by the LEP Board's past Diversity Champion, Kate Hainsworth, the Steering Group has representation across sectors, places and interests, including: West Yorkshire Local Authorities (policy, public health, ED&I and Human Resources/People); Regional business representative organisations (eg FSB, Chambers, and CBI), key national stakeholders (eg ACAS, CIPD), Yorkshire Universities, VCSE (Voluntary, Community and Social Enterprise) sector, WY NHS ICB (Integrated Care Board), and employee/Union representation (TUC and GMB). The current membership shown at Appendix 1.
- Gainshare funding of £600k was approved by the Finance and Resources Committee in November 21 to enable the development of the Charter and to begin its delivery.
- The Steering Group progressed the following:
 - o Regular contact with Greater Manchester, Liverpool City Region, South Yorkshire, and other regional partners in terms of ensuring a pan-Northern approach, as far as possible.
 - o Local area involvement with Local Authority Economic Development Officers, Heads of Human Resources, and Directors of Public Health represented on the Steering Group, and with Chief Executives, Political Leaders, and the LEP Chair briefed on progress.
 - o Co-designed a draft Charter for wider consultation based on 5 key aspects of Fair Work:
 - Opportunity
 - Security
 - Wellbeing
 - Employee Voice, and
 - Fulfilment
- A Public Consultation was launched on 11th March 22 on the Combined Authority's Your Voice web site (see: <https://www.yourvoice.westyorks-ca.gov.uk/fwc>), which ran until Easter 2022. The aim of the consultation was to seek views from as many perspectives as possible, including stakeholders, employers, employees, and wider communities. It was intended that the findings of the consultation process would be used to help refine the content of the Charter to make it as relevant as possible to all types of employers including in terms of location, sizes, and sectors, and therefore beneficial to as many of the region's one million employees and c.50,000 employers as possible.
- A full analysis was undertaken of the responses which identified that the public consultation yielded:

- o 211 written submissions and survey responses to the Steering Group's draft Charter from residents, employers, and stakeholders
- o Complemented by listening workshops and stakeholder meetings with community and business representatives, including CA private sector Board and panel members.
- o More than 2,000 written comments and views about the nature of Fair Work and reactions to the 5 key aspects identified by the Steering Group.
- o Key findings from consultation exercise included:
 - Broad support for introducing the Charter across West Yorkshire, however,
 - Significant barriers preventing SMEs (the vast majority of all WY employers) from seeing the Charter - as presented - as relevant, attractive, and achievable to them.

Current Phase - Summer 22 to date

- 2.3 Following the views taken from the consultation process, the following practical steps were taken:
- Summer 2022 – Accepting the above findings, the Steering Group agreed to commission specialist support to apply a behavioural insights approach to iterate the design of the Charter.
 - After a procurement process, TPX Impact Ltd were appointed in Autumn 2022 to undertake this key next stage of Charter design and development:
 - o Worked in partnership with the key business representative organisations to identify a range of smaller employers to listen to. This was a key step and required building of confidence that business views would be listened to and acted upon.
 - o One-to-one interviews and focus groups were delivered to hear the concerns and ideas of employers, particularly SMEs, about the Charter content (Feb-April 2023).
 - o Design workshops were undertaken in parallel to develop the enrolment process, user experience for employers who sign-up and website requirements.
 - Key messages that came from the deep listening exercise included:
 - o Some SMEs were frustrated that the draft Charter was not flexible enough to recognise their current good employment practices, assumes the worst about employers rather than celebrating the best, and imposes a framework and requirements which was not always relevant to their business.
 - o The knowledge, experiences and responsibilities of employees should be recognised and included in the sign-up, monitoring, or promotion of the Charter.
 - o The benefits and incentives for signing up should be made more obvious and attractive.
 - o SMEs wanted to be able to share and hear testimonies and case studies of good practice from employers they can relate to.

- Without significant communications, engagement and business support work, the Charter would not be adopted by large numbers of small businesses.
- Resulting from the lessons learnt:
 - The Charter content was significantly amended in specifics, process, and overall tone by the Steering Group from its earlier draft and carefully designed to be capable of achieving maximum impact.
 - Further to the feedback received, key shifts in emphasis of the Charter model are as follows:
 - from a small and select 'club' of signatories to an inclusive community of participants.
 - from a single 'moment' of demonstrating compliance to embarking on a journey to help build a thriving economy.
 - from a tone of judgement and assessment to a spirit of development and support.
 - The application of the re-design principles has given our Charter a distinctive and fresh look and feel, compared to other similar initiatives.
 - It is considered that a more inclusive Charter, taking in a larger and more diverse group of employers on a journey of development, on different stages on the Fair Work journey, will have greater impact by ensuring more people and communities will contribute to, and benefit from, economic growth.
 - The framing (vision, commitment, invitation to employers, and the key business benefits of signing up to the Charter) and amended Charter content and approach – which was commended to the Mayor by the Steering Group on 24th May – are all included in Appendix 2 to this report.
- The proposed trust-based (vs compliance checking) approach was welcomed by the Steering Group as a positive way of reducing the administrative barriers to businesses signing up, whilst also recognising the potential risk to be managed in relation to the credibility of the Charter and the associated reputational impact on the Mayor.
- To mitigate this potential risk the following (and other) measures would be pursued:
 - spot checking and a clear and accessible whistle-blowing protocol, with a related requirement for employers to make Charter membership visible to their employees, customers, and suppliers, such as on websites, induction packs, job adverts, emails, workplace (receptions and noticeboards), and letter-headed notepaper;
 - Fair Work Charter website/pages (to be developed) could contain information on all members, including their commitments (like the [Armed Forces Covenant](#)); and
 - light touch 1:1 annual review (potentially to be supported by partners) which capture key areas of Charter member progress, achievements, and challenges.
 - These employer reflections would be considered in the round and could feed into:

- An annual awards ceremony to celebrate best practice;
- New CA programme design (eg skills and business support) which address the challenges raised by businesses; and
- Further iterating the Charter over time as new workplace challenges begin to emerge (eg the impacts of Artificial Intelligence).

Next steps

2.4 The proposed implementation timeline is set out below:

- July-Aug 23:
 - Design delivery team arrangements
 - Sign-up early adopters
- July-Sept 23: Website build
- Autumn 23:
 - Launch event
 - Roll out of marketing campaign (including social media and scoping target membership numbers)
- Spring 2024: evaluate evidence of Charter growth and early impact – number of sign ups and testimonials.

3. Tackling the Climate Emergency Implications

3.1. There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1. The development of the Charter is driven by the Mayor's ambition to deliver a fair and just economic recovery, which is central to promoting Inclusive Growth.

5. Equality and Diversity Implications

5.1. The Charter has been designed to drive improvements in ED&I, eg in terms of inclusive recruitment practices, and ensuring employees have a voice in the workplace.

6. Financial Implications

6.1. None arising from this report. £600k gainshare funding has been approved for this project it is anticipated will cover the initial start-up and implementation costs, including any staffing, partnership support, marketing, and web platform development.

7. Legal Implications

7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

8.1. There are no staffing implications directly arising from this report.

9. External Consultees

9.1. No external consultations have been undertaken.

10. Recommendations

10.1. To note and welcome the progress which has been made in establishing the Mayor's Fair Work Charter and the proposed next steps.

10.2. To seek the in-principle commitment of private sector members to be amongst the Charter's early adopters.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1: Steering Group Membership

Appendix 2: Charter slide deck