



Promoting good work in Greater Manchester: Taking sectoral differences into account in the development of the Greater Manchester Good Employment Charter

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Introduction

Good employment is being encouraged across Greater Manchester partly through the GM Good Employment Charter (Appendix One).¹ Diverse businesses and organisations will have different challenges and opportunities to achieve Charter status. One characteristic that is likely to differentiate responses is that of sector (for example, retail or social care).

Developing research and practice shows the benefits of adopting a more sectoral approach to supporting and promoting good work. For example, Ussher (2016), looked at <u>Improving pay</u>, <u>progression and productivity in the retail sector</u>.² More recently, work by Manchester Metropolitan University, as part of the Greater Manchester Independent Prosperity Review, looked at both social care workforce strategies within the context of social care quality and productivity improvements, as well as productivity and workforce pay and conditions in retail.³ The latter two pieces of work also illustrate how initiatives within the scope of the Greater Manchester Strategy, and particularly the Greater Manchester Local Industrial Strategy (GMLIS), have recognised, and are responding to, sectoral differences.⁴

The GM Charter Implementation Unit is undertaking a pilot project until early 2020 with a range of sizes and sectors of businesses. Early indications suggest that this approach has already been useful, for example, to understand what 'flexibility' means in different sectors, or the extent to which certain contexts (for example reliance on public sector funding contracts) can affect the ability to pay the real Living Wage (RLW).⁵ Bringing together companies from different sectors can also spark ideas which can be adapted across contexts. There have already been examples of this happening in the GM Charter pilot. A combination of cross-sector and within sector activities are therefore likely to be necessary to support and enable organisations to improve the kind of work they create and offer.

Alongside the development of the GM Good Employment Charter, IGAU decided to hold two roundtables bringing together businesses and organisations in social care and the voluntary, community and social enterprise (VCSE) 'sector'.⁶ The aim was to explore the meaning and reality of good employment within these sectors, as well as to consider, and begin to practically address, challenges and opportunities to achieving good work in these contexts.

The results of our roundtables are presented below. These will feed into, and have already influenced ongoing Charter deliberations. They are also relevant to the future development of the Greater Manchester Local Industrial Strategy (GMLIS), the Social Value Framework for GM and local authorities, the Social Enterprise Strategy, and ongoing work to support VCSE at both GM and local authority levels.

https://www.greatermanchester-ca.gov.uk/media/1917/gmipr_tr_retail.pdf

¹ See also <u>https://www.gmgoodemploymentcharter.co.uk/</u>

² <u>https://www.jrf.org.uk/report/improving-pay-progression-and-productivity-retail-sector</u>

³ <u>https://www.greatermanchester-ca.gov.uk/media/1908/gmipr_tr_adultsocialcare2.pdf</u> and

⁴ For the GM Local Industrial Strategy, these build on and refresh the sector studies undertaken in 2016/2017 by New Economy/GMCA across a variety of sectors: <u>www.neweconomymanchester.com/publications/deep-dive-research</u>

⁵ The real Living Wage is higher than the statutory Living Wage reflecting the level calculated by the Living Wage Foundation based on living costs - <u>https://www.livingwage.org.uk/what-real-living-wage</u>

⁶ VCSE is obviously not an industrial sector, and includes a very diverse range of organisations from advocacy charities to trading social enterprises, and from large organisations to small informal groups. However, organisations that come under this heading have similarities arising from a primarily social (rather than profit) mission, as well as often being reliant on grants and contracts. Social enterprises of course seek to meet social goals through trading, although often make use of public sector funding and grants.

This paper first sets out how we did the research, then briefly considers why policy design and implementation which affects business and organisations benefits from a sector focus (alongside other aspects of difference such as size and location). It then looks at what is known about good work and different sectors in Greater Manchester, drawing on available research and evidence, and concludes with the results of the roundtables, followed by the recommendations that follow.

Methodology

We explored some of the existing literature and practice on good employment across GM sectors, together with wider research, and used this information as a basis for two sector roundtables - one on adult social care; the other on voluntary, community and social enterprise (VCSE). Full details of the presentations and discussions can be found in detail in Appendices Two and Three.

Each event had a mix of participants – primarily organisations and businesses working in the sector, as well as public sector commissioners, and representatives from GM Combined Authority (GMCA) and intermediary organisations. The aim was to create a diverse mix of participants who would be able, since the group was kept relatively small (to around 20-25 participants), to have in-depth conversations, as well as to swap experiences, make connections, and potentially brainstorm solutions.

The 'good employment' themes of the developing Charter, at the time of each event, formed the basis for discussion. For example, the first event on social care, held in December 2018, used the six themes in the then <u>draft Good Employment Charter consultation</u>.⁷ The second in October 2019 used the finally agreed seven themes of the Charter (Appendix One).

Roundtables of this kind can, however, only be indicative and reflect the views of those who attended on the day. However, these events can also bring together stakeholders who have not previously met, and who may have ideas or relevant resources for practical initiatives, or who can help determine the need for, and possible form of, more systemic changes (such as at GM level or in national policy).

Sectors and policy implementation

For any policy or initiative it is difficult to create a single intervention which appropriately influences desired actions or behaviour in all kinds of businesses. For example, a Research and Development (R&D) tax credit tends to benefit mostly those companies, often in manufacturing, with defined R&D functions and activities, such as pharmaceuticals. It works less well, if at all, in encouraging incremental innovation in say small firms redesigning their products, or for innovation in services.

There are also policies that are designed to address a problem arising in several sectors but which may have negative effects in others, so-called 'unintended consequences'. These problems usually arise if a policy has not been thoroughly checked for its impacts across sectors and for different sizes and kinds of organisation, as part of, for example, a full regulatory impact assessment. For example think about a policy which is designed to prohibit the use of agency workers by companies who are trying to avoid paying expensive employee benefits in say, construction. If this approach is applied to all sectors it is likely to have negative effects where this way of working (for example in photography) may well be the most useful for freelancers or the self-employed.

Additionally, for a policy to be effectively implemented, it is not enough for it just to be announced and made available. It often needs to be appropriately advertised and made applicable for different contexts, so that organisations and people can recognise how certain policies are relevant to them. Trade associations may do this by creating for example specific guidelines on implementation and/or relevance. It may also require businesses within a sector to work together to find ways to enable businesses to make effective use of a policy or to understand how to fully comply with

⁷ <u>https://www.gmconsult.org/strategy-team/gmemploymentcharter/</u>

whatever has been introduced. This collaboration of course often becomes harder when a sector is made up primarily of small organisations, rather than a few large businesses who can more easily interact and have the resources to do so.

Industrial policy, including that being developed within GM as part of the GMLIS, is an example of adopting sector analysis and practical approaches in order to reflect the different constraints and opportunities within different kinds of business activity.

Sectors and good work

There is now increasing attention to the wider aspects of 'good work' beyond just pay and terms and conditions. However, concerns about low pay have driven much recent policy and practice, particularly because of the realisation that the majority of people in poverty in the UK are in households where someone is working.⁸ It is also well known, for example, that certain sectors have a propensity (due to the nature, for example, of the market, levels of skill required, or predominant female bias) to be relatively low paid.

In a 2017 report for the Joseph Rowntree Foundation (JRF), *Job creation for inclusive growth in cities* the authors analysed the Annual Population Survey to identify the proportion of low paid, insecure or underemployed workers in different sectors and occupations.⁹ They found that occupations with a very high proportion of poor quality jobs for workers with low qualification levels included elementary service occupations (sales, cleaning and security) as well as elementary process plan occupations, childcare and related personal services, housekeeping, caring roles, elementary storage, food preparation and hospitality.

On the other hand, sectors with low probabilities of low quality work included information and communication, finance and insurance, mining and quarrying, electricity, gas and air conditioning supply and construction. Sectors dominated by large companies and/or those with relatively high union representation tend to provide good jobs for those without degrees.

Their conclusion was that the challenge for cities is both to develop sectors which offer better jobs, and to try to reduce the number of poor quality jobs in sectors where they predominate.

For GM, two such sectors that have been explored in detail are retail and social care, as part of the Greater Manchester Independent Prosperity Review.¹⁰

⁸ See for example <u>https://www.theguardian.com/society/2017/may/22/record-britons-in-work-poverty-families-study-private-rented-housing</u> and

⁹ Pike A, Lee N, MacKinnon,D, Kempton L and Iddawela Y (2017) *Job creation for inclusive growth in cities*, Joseph Rowntree Foundation.

¹⁰ <u>https://www.greatermanchester-ca.gov.uk/what-we-do/economy/greater-manchester-independent-prosperity-</u> review/

Some of the results of the review of retail undertaken by Manchester Metropolitan University (MMU) are shown in the box below, together with JRF research on the sector.

Retail

The retail sector accounts for about 10% of all employees in Greater Manchester (16.5% if you include wholesale), and with the largest growth since 2015 in part-time work (now accounting for about 54% of all retail jobs).¹¹ It is considered to be the largest 'low productivity' sector in GM (albeit showing recent improvements), and also accounts for the highest proportion of workers experiencing low pay. Employment levels and the age distribution of employees varies across GM districts, as does productivity and pay. This, and further information, is summarised in research conducted by Manchester Metropolitan University (MMU) to inform the GMLIS.¹²

Technological change and changing customer habits are leading to a presumption that higher or different skills are, and will be increasingly, needed in some future shops. It is likely that the increasingly challenging environment for retail, as a result of technological and consumer changes, will lead to the need to balance pay, conditions and training with investment in new processes and business model changes. This is particularly likely to prove difficult for smaller businesses. It is therefore important to understand the different dynamics, not only in different kinds of retail (fashion to DIY), but also size of business.¹³

Pay – Mean gross weekly earnings for GM are £405.41 with gender pay disparities of 38% accounted for by a relative lack of female representation at higher employment levels. The Fabian Society reported that 42% of those working in low paid retail in the UK between 2014 and 2016 were stuck in low pay (compared with one in five of other low pay workers).¹⁴ (Indeed, research for JRF noted that two thirds of low paid people are in retail, many stuck in in-work poverty, and with a high proportion of BAME.¹⁵) The primary reason for working in retail was because it was close to where people lived. The authors argued that staff development, progression and career opportunities, as well as improved conditions and packages, may support improvement.

Progression is also a challenge which leads to a related image problem, in other words, it is seen as a sector which does not necessarily provide lifelong careers. It is seen and used by some people, often students, as an easy access way to top up their income, or by others as a stepping stone to other careers (for example those requiring some customer facing experience in say banking).¹⁶ The JRF research found that overall there was also a perception that promotion was not worth it.

Employment flexibility – Kitty Ussher, in the 2016 JRF report believed that there were structural barriers to improving pay, and productivity arising from 'underemployment' and 'overqualification' in the workforce.¹⁷ 50% of people surveyed in the research underpinning the report, wanted more hours, and 50% wanted more control over their hours. Whilst part-time work is seen as part of offering flexible options, in retail it also seems to be partly driven by the fiscal incentives on employers to offer part-time work (which is therefore cheaper). Part-time work also appears to be offered at the lower rungs of retail rather than at higher management levels where posts tend to be full-time, leading to an accusation that there is limited flexibility for those (usually women) with other commitments. Part-time work also has fewer opportunities for progression, or training.

Recruitment and retention - There is high employee turnover at 43% (partly to do with the temporary nature of the role for some) and with the argument that poor training for leadership and management is linked to lack

¹¹ GMCA and new economy (2016) *Deep Dive 08: Retail and Wholesale Distribution*.

¹² Most of the data in this summary, except where specifically identified, comes from Whittle R et al (2019) *Retail: A technical report for the research on productivity*, The Future Economies Research Centre, MMU. https://www.greatermanchester-ca.gov.uk/media/1917/gmipr_tr_retail.pdf

¹³ For analysis of future scenarios for retail see for example: See <u>https://www.telegraph.co.uk/business/tips-for-the-future/future-of-retail/</u> and <u>www.futuresplatform.com/blog/future-retail</u>

¹⁴ Fabian Society (2018) *Pathways to Progression: Improving Progression Rates for Young Retail Workers*. https://fabians.org.uk/publication/pathways-to-progression/

¹⁵ Ussher K (2016) Improving pay, progression and productivity in the retail sector, JRF.

¹⁶ In conversation with Richard Whittle who led on the MMU research on retail for the Low Pay Low Productivity Commission, part of the GM Independent Prosperity Review.

¹⁷ Ussher K (2016) Improving pay, progression and productivity in the retail sector, JRF

of progression. However, there is a belief that there will be an increase in future demand for managers, professionals and associate professions, and concern that a high number are not currently proficient. On the other hand, these results contrast with work for JRF which found that a high number of employees (although likely to be at lower grades) feel overqualified, hence showing a mismatch between perceived skill gaps and the potential of the workforce.

Ideas for improving good work

The JRF report recommended that employers could re-design jobs and career pathways so that staff do not need to choose between part time hours and promotion, while national and local government can provide support both to employers (on workforce development and job design) and to young people starting out in retail (on career development). That job redesign would also include more managerial skills and competences within smaller teams.

The MMU research also suggested that for part-time progression there could be an emphasis on more modular training, and that there could be opportunities for mentorships/accredited training which is transferable across retailers. They also felt that there might need to be age profiling by initiatives to increase productivity, and provide appropriate workforce development relating to different needs, and motivations at different ages. This seemed to be partly based on an assumption that older people are both less likely to relate to younger customers' buying habits or are less tech savvy. They also believe that local policies to manage 'churn', such as forums for retailers to share staff if demand varies, and which draw on examples from other industries where this approach works, could be useful.

But good employment is also relevant to relatively high pay sectors. The example below of digital has been a focus of research and policy within GM (particularly through the Digital Strategy). There has been particular attention to levels of productivity as well as the accessibility of digital jobs for different groups of people. Looking at the GM Good Employment Charter themes, however, there seems to be a need to understand and find responses to wider aspects of good work, whether flexibility needs, engagement and voice, people management skills and any particular challenges in relation to physical and mental health arising from this kind of work.

Digital

Data from the sector study into Digital and Creative Industries by GMCA and new economy, suggests that the current sector in GM is relatively small – 5.9% GVA as opposed to 7.9% nationally.¹⁸ However, it accounts for 11% of all jobs – 49% digital makers and 51% digital workers. Digital and digitally intensive creative sectors in GM currently account for 82,300 jobs with 7500-8000 businesses.¹⁹ Digital was identified as one of GM's fast growth opportunities in the 2016 Science and Innovation Audit. It was also recognised to be the fastest growing sector in employment between 2010 and 2013, and with the workforce expected to continue to rise.

There is however some concern with productivity which seems to be less than national average - £51,000 per person compared with £56,800. This partly relates to skill levels which are comparatively less than the rest of the UK. Most businesses employ fewer than 10 people (with pure digital being more likely to be micro than creative - 91% to 89%) and with 99% being SMEs - similar to overall UK trends.

Diversity – Looking at some of the dimensions of good employment, one concern is that of diversity. For example, there was a ratio of 79 men to 21 women in 2016/17. The aim of the GM Digital Strategy is to improve this to 60:40 by 2020, as a milestone to 50:50 by 2025.

¹⁸ GMCA and new economy (2016) Deep Dive: 04; Digital and Creative Industries - <u>https://greatermanchester-</u> ca.gov.uk/media/1699/04 digital creative deep dive report final.pdf

¹⁹ These and the following statistics come mostly from the *GM Digital Strategy 2018-2020* <u>https://www.greatermanchester-ca.gov.uk/media/1090/digital-strategy-2018-2020.pdf</u> and the Deep Dive report above.

Skills – Skills shortages are more commonly found in digital than other sectors. 40% of digital entrepreneurs have difficulty getting skilled workers (Technation 2016).²⁰ Manchester Digital found, for example, that over a third of its member companies had to turn away work since they could not recruit the right talent. It is important to note that the prevalence of micro businesses and freelancers makes skill development difficult. It is also crucial that businesses work more closely with schools and universities to ensure relevant skill development.

Pay - This is not a low pay sector but there are concerns over gender and other diversity pay gaps.

The aim of the GM Digital Strategy is to increase digital skills both generally and within the sector (thus reducing the percentage of GM digital businesses that report turning down work as a result of being unable to find the right talent from 27% (2017) to 5% by 2020.

In order to enable the best recruitment of skilled and talented people, the Digital Strategy includes ways to enable young people to access and understand career opportunities. It has been noted that "enthusiasm for digital is clear up to 13/14 but declines over next 5 years particularly amongst women".

Specific policies include a Digital Talent Pipeline²¹ to "create pathways from education into the digital industry for young people" such as through apprenticeships, teacher CPD; and enabling informal learning by residents through eg code clubs – particularly useful for female returners, unemployed and those over 50. There is also a recyclable Digital Skills Fund of £3m which people and businesses can borrow from to access and create bespoke non-accredited courses, with particular support for those who are currently under-represented in tech and those in financial need. A Digital Skills Pilot was launched earlier in 2019 with priority schools.²²

There is also a need to constantly upskill the current workforce, and develop softer skills alongside harder. Alongside these developments, it is also recognised that there are many good initiatives around GM to engage and develop digital skills and new businesses, but these are not well linked.

The GM Co-operative Commission, which will be reporting at the end of 2019, has discussed the wider concept of collaboration. Suggesting for example digital platforms to create spaces for digital freelancers to create a form of collective support for both work negotiations, as well as training.²³

The situation for the two sectors which formed the basis for the roundtables on Adult Social Care and on VCSE is set out below.

Adult Social Care

The sector employs around 64,000 frontline care staff in GM, 50,000 of whom are in the independent sector (GMCA/NHS_in_GM, 2018).²⁴ Work by Manchester Metropolitan University (MMU) for the GM Independent Prosperity Review showed that key workforce challenges include: low pay levels; lack of professional recognition and career structure; low skills and workforce quality; problems of recruitment and retention (turnover varies across boroughs between 18.7% and 36.2%); few progression opportunities; working conditions (20% of frontline care works are employed on zero-hours contracts), and with limited diversity (predominantly female/older) and poor sector image. The Adult Social Care (ASC) sector also has an ageing and overly female workforce.²⁵

²⁰ Technation (2016) *Transforming UK Industries.*

²¹ White Room with Hive, Innovate Her and Manchester Digital

²² GMCA (2019) Economy, Business Growth and Skills Overview and Scrutiny Committee (Item 6); GM Digital Strategy Implementation Update; GM Digital Strategy Dashboard overview.

²³ In conversation with a representative from GMCA involved with the GM Co-operative Commission.

²⁴ GMCA/NHS_in_GM (2018) Adult Social Care Transformation Programme Workforce Strategic Priorities.

²⁵ Atkinson C, Sarwar A, and Crozier S (2019) *Greater Manchester Independent Prosperity Review: Adult Social Care technical report*, MMU <u>https://www2.mmu.ac.uk/media/mmuacuk/content/documents/business-school/decent-work-and-productivity/GMIP-review.pdf</u>

These factors have led to what has been called a 'workforce crisis'. Part of the recruitment challenge relates to the negative perception arising from media stories of bad practice, as well as a prevailing view that this is a low status career. However, it is recognised by those working in the sector that social care is both a rewarding and skilled occupation. Future trends towards increased need, as well as complexity of care, will require greater skills as well as increased employment in the sector.

One of the main conclusions of MMU's work, as well as other research, is that the nature of employment within social care is profoundly influenced by the prevailing public policy framework and commissioning practices, particularly the restricted level of public money available for service provision.²⁶ Whilst not all social care providers are reliant on public money, many are. It is therefore impossible to consider the potential for improving working conditions in the absence of wider system changes such as a national strategy to adequately fund social care.

The GM Health and Social Care Partnership (GMHSC) has introduced an Adult Social Care (ASC) Transformation Programme. There has been, in recent years, evidence of improved quality (as well as working conditions) within GM. Activities include for example initiatives/pilots for both residential and domiciliary care to improve workforce skills, job redesign, as well as reorienting health and social care delivery to focus on more 'care in the community', as well as more integrated neighbourhood working. There is also a GM ASC Recruitment Campaign in 2019.

Voluntary, community and social enterprise (VCSE)

Information on good employment in VCSE is fairly limited and would benefit from greater exploration, although there is good practice which can benefit other sectors and types of organisation, as well as challenges. Data from national sources is biased by larger (often HQ) organisations within London. The NCVO's *UK Civil Society Almanac, 2018* (and earlier years) shows, for example, that relative to the private sector, charities have predominantly female staff (NCVO, 2015) with 66% employees being female, as opposed to 40% in the private sector.²⁷ They are also slightly older, with 38% over 50 (29% in the private sector).

The *State of Social Enterprise Survey, 2017* asked more in-depth questions on employment such as those relating to payment of the real Living Wage (78%), average salaries and salary ratios.²⁸ The average salary of a Chief Executive Officer (CEO) is £36,115 reflecting a salary ratio (highest to lowest paid) of 2.7:1 with some evidence of a gender pay gap, with women CEOs paid on average £35,466 compared to men's £37,758. Women run 41-43% of social enterprises with over 100 employees; compared to SMEs at 20% and 7% of the FTSE 100. 12% of social enterprises (SEs) are run by BAME, which is similar to the UK population, and better than SMEs (5%) and charities (3%). There are recognised recruitment and skills gaps.

Other research looking at the social economy around the world has found that overall social economy organisations (SEOs) aim to provide 'decent jobs', and evidence supports greater job satisfaction than the private sector.²⁹ However, pay and conditions vary by for example sector, type, local area, and beneficiaries with some paying low wages and with poor terms and conditions, whilst others, often operating in mainstream markets, often being co-operatives or employee-ownership companies, may have relatively higher pay and better terms and conditions.

Alex Whinnom, CEO of GMCVO (Greater Manchester Centre for Voluntary Organisation) summarised the issues for Greater Manchester, arguing that the VCSE sector can showcase good practice in inclusivity, culture of respect, flexibility, or autonomy but that the biggest challenges arise from the lack of security and low pay, as a result of the funding available from local authority contract funding and grant-giving organisations. Whilst the sector employs a relatively higher amount of people from poorer demographics, it may however give them less 'good' work.

²⁶ See also for example Dromey J and Hochlaf D (2018) *Fair care: A workforce strategy for social care*, ippr <u>https://www.ippr.org/research/publications/fair-care</u>

²⁷ Since the time of writing the *NCVO UK Civil Society Almanac 2019* has been produced with more up-to-date figures. You can find the current data, as well as previous editions at <u>https://data.ncvo.org.uk/</u>

²⁸ <u>https://www.socialenterprise.org.uk/the-future-of-business-state-of-social-enterprise-survey-2017/</u>

²⁹ https://www.jrf.org.uk/report/cities-social-economy-and-inclusive-growth

The danger is that voluntary sector organisations can tend to put helping society before their employment models. It can be difficult to progress, or to provide adequate training, such that some people may move out of the organisation and out of the sector entirely (to the public and private sectors). There are also health risks in the sector, with stress being a large problem arising from overwork, and not having proper holidays.

Results of the roundtable discussions

A summary of the results of the discussion of each of the Good Employment Charter themes at both roundtables are set out below. (For full details see Appendices Two and Three.)

Adult Social Care

Real Living Wage

Paying the real Living Wage was felt to be the hardest challenge, particularly for those dependent on public sector funding and for smaller organisations. The relatively flat structure of social care organisations means that higher grades and responsibilities do not pay much more, contributing to difficulties in incentivising progression. Other issues include different commissioning practices around GM creating pay differentials, felt to contribute to high turnover or 'churn'. Additionally, higher rates paid by the NHS were also seen as a disincentive to remain in the independent sector, and with low pay encouraging some people to move to other career paths within health such as nursing, or out of the sector altogether. It was made clear that to ensure that paying the RLW was more feasible, there would need to be changes in commissioning practices and levels of funding. It was also stressed that it is important to look at payment for all hours worked, not just contact time.

Flexible Working

Participants noted that flexible working within social care has to be balanced with the needs of the user for continuity of care, and care at the times that users need it. In residential care one attendee said that there has been a movement away from part-time to continuous care, because of the costs of training, and to ensure continuity of care. Some commissioners have enabled guaranteed hours in domiciliary care through smarter commissioning.

Workforce engagement and voice

There was unanimous agreement that this was that engagement of employees in strategy and decision-making was a good thing. One attendee said this was hard to do in a small organisation, wondering whether using an external peer as a facilitator might enable a better dialogue.

Excellent people management practices

GMHSC has supported pilots for different ways of working, and of job redesign, including selfmanaged teams where carers manage their own rotas, hours and timetables, enabling a greater focus on client need, and increased skills. The results for workforce development are believed to be improved staff retention and job satisfaction, as well as increased continuity of care. Reduced infrastructure costs have in some cases enabled increased pay, as well as guaranteed hours.

A productive and healthy workplace

Carers have their own health needs. The nature of social care is recognised to be at times stressful and isolating (for domiciliary in particular). GMHSC recognised that this issue needed to be incorporated into their workforce programme. There could also be improved signposting to general sources of information, including from the Working Well Programme.³⁰ It was felt that a health checklist would be useful for employers.

³⁰ https://www.greatermanchester-ca.gov.uk/what-we-do/work-and-skills/working-well/

Excellent recruitment practices and progression

Progression was acknowledged as another challenge for the sector, with possibilities linked to job redesign and greater integration of health and social care such as through linking social care to nursing assistant roles, or incorporating district nurse skills. The importance of encouraging 'valuesbased' recruitment, rather than just specific job experience, was stressed. Its benefits have already been seen in pilots both to increase the quality of recruitment and also to encourage recruitment of people from a variety of backgrounds. There was particular concern that there should be a career structure within homecare otherwise people will just move on.

VCSE

Participants at the VCSE event held in October 2019, discussed the seven themes of the Charter as agreed in July 2019 (Appendix One).

Extending secure work

The reason for insecurity is due to the reliance by so many VCSE organisations on contracts and grants for limited periods, albeit sometimes with the possibility to extend. This means that it can be difficult to offer secure work since there is no surety that follow-on funding will be available.

Extending flexible work

There was an acknowledgement of the balance between flexibility and security, and the need to understand different people's needs and circumstances. An example was raised of an organisation who had been thinking about how to better cover childcare rosters, rather than using expensive agency workers, and balancing this with the flexibility needs of some employees. They had thought of creating a digital platform to match the needs of a group of similar social enterprise childcare providers with people who could bid for different shifts, and hence create more secure but flexible employment. Another organisation said that they had a bank of staff with flexible contracts.

Working towards paying a real Living Wage

There was much discussion about the inability of some organisations to be able to pay the real Living Wage due to the level of funding provided through some public sector contracts, such as in social care, as well as the finance available through some grants.

Improving workplace engagement and voice

There was a discussion about the importance of workforce engagement, whether to ensure that people's grievances are heard and to avoid negative implications, such as tribunals, but also to create positive outcomes, such as a greater sense of commitment, better ideas and services development, and also to increase the feeling of ownership and responsibility. However, it was also recognised that engagement costs money, and cannot be built into grants.

Developing excellent recruitment and progression

There was a comment that there seemed to be more of a problem with recruitment, and widespread concern that the level and insecurity of funding led to inadequate levels of training. GMCVO have two projects to help organisations improve their recruitment, by proofing job advertisements for younger people and for people returning to work after absence. Also there is a need to support people in training as they move around the sector, raising ideas about more networking for members of the sector (and also to enable retention in the sector and within organisations) and collective ways to encourage and support personal training and to act as a backbone throughout a career.

Improving people management

There was agreement that investing in managers is important but a recognition that there was not enough. Someone who was new to the sector asked about management frameworks and KPIs or competencies and whether or not these were used. Mostly the answer was no, although some had started to do this. There was also the idea that people who have similar functions across organisations could learn from each other.

Developing a productive and healthy workplace

On mental health, there seemed to be a fair amount of activity and there was a very productive exchange of initiatives and ideas. It was also noted that within the sector, social firms have a great deal of experience of working with people with mental and physical disabilities, and may be able to help others improve or adapt their practices.³¹

Conclusions and Recommendations

Using multi-stakeholder roundtables which focus on different sectors proved effective in providing opportunities, not only to share insights and understanding, but also to create practical linkages and ideas to improve good work within each sector.

The events underlined the importance for any policy initiative aimed at supporting inclusive growth to consider the realities of different economic sectors, as well as different sizes of organisation (including the self-employed), and diverse business models (including the social economy).

Overall, participants in both roundtables welcomed the Charter. They also saw it as a useful 'checklist' for companies and organisations to consider what they are doing well, and where they might need to do more work.

Details of the discussion and ideas created can be found in Appendices Two and Three. A summary of the key points and ideas emerging are presented below.

Importance of sector forums

It was clear from an assessment of currently available literature that full knowledge, particularly of the situations facing smaller companies and organisations across the range of Good Employment themes, is not yet available. Even bringing a small group of organisations together created valuable insights and the possibility of practical initiatives across the seven themes. It suggests that more work of this kind should be done across different sectors within GM.

Effective collaboration to achieve good work

Collaboration between organisations seems to be both necessary to achieve many of the goals of good work, but also appears to be under-developed within Greater Manchester. For example, in both the social care and VCSE events there was a feeling that regional and local networks of similar providers could enable exchange of good practice, and also the ability to share resources such as HR, employee engagement expertise or even people. It is interesting that the research on retail by MMU for the GM Independent Prosperity Review, as well as analysis in the GM Digital Strategy, both recognise similar needs for businesses to work together.³²

For social care providers, in both the independent and public sector, there were suggestions that information provision could build on existing networks, particularly, the GM Independent Care Sector Network (GMICSN) and GM Health and Social Care Partnership (GMHSC), as well as more local forums, or through the creation of new ones. Registered Manager (RM) forums already exist at local level, for example, in Stockport (run by Skills for Care) or in Oldham (started by an RM). The question was asked whether something similar could be set up for domiciliary care.

The Greater Manchester Co-operative Commission, due to report at the end of 2019, has discussed the importance of collaboration, including digital solutions such as platforms to help organisations

³¹ <u>http://www.socialfirmsengland.co.uk/types-of-social-firms/</u>

³² https://www.greatermanchester-ca.gov.uk/media/1090/digital-strategy-2018-2020.pdf

share resources (for example, in HR) and reduce costs through enabling scale. Extending this idea, there could, for example, be consideration of their use to better enable job matching and even sharing people across organisations. There could also be greater use of networks, or consortia, where resources could be pooled (for example, to support joint HR or training activities).

The GM Co-operative Commission has also considered new forms of collective power or trades union for digital freelancers. This kind of collective power for the self-employed is something that could be further explored within GM whether within different sectors or across the city. The Charter does not really consider this kind of worker, although a GM Self-Employment Pilot has been advertised.³³ Self-employed people have a range of challenges (including financial security particularly at times of illness or caring responsibilities; ongoing training; isolation and related mental health impacts) whether they are low paid, or in highly skilled occupations.

Cross-sector learning

There is also a useful discussion to be had about how ideas which emerge in one area (such as self-managed teams in social care) might translate into the different needs and contexts of other sectors. Methods of employee engagement could also benefit from cross-sector learning, and also from organisational types, such as co-operatives and employee-owned businesses that put a priority on creating good employment, and engage employees in strategy creation, as well as sharing in financial rewards. Social firms could also show how to thrive with mental and physical diversity.³⁴

The potential of social economy models to improve workforce experience and service quality in social care was not addressed in the research for the GM Local Industrial Strategy. This is an area which could do with further exploration. Some examples and their potential are introduced in a forthcoming (before end 2019) piece of work from the IGAU which contributed to a webinar held part of a Manchester City Council (MCC) and Montreal twinning initiative, funded by the EU.

Sharing people between organisations

An example was given at the VCSE event of Mondragon, in Spain, where, in an 80% co-operative economy, if some organisations are struggling to maintain employment, people might go to other companies within a co-operative group (or indeed they may choose to lower their pay for a period of time to maintain employment).³⁵ There was another example of a digital platform which had been considered to enable people looking for flexible working in childcare could match their needs with a pool of childcare providers, each with employment needs (to reduce the need for expensive agency workers).

This discussion led to the idea of whether or not there is a way to share people at various times or for various functions across the VCSE. Whilst it runs the risk of increasing isolation, or travel costs, it was also suggested within the work done on retail for the GMLIS, and could merit further exploration within the context of different sectors.

Increasing pay and employment security

Both groups included organisations who could not pay the real Living Wage, primarily as a result of the limited funding available from public contracts (social care and VCSE) or from grants (VCSE) even if it was an aspiration to do so. The VCSE event particularly spent time considering some of the solutions to this insecurity:

³³ <u>http://www.government-online.net/tender-for-greater-manchester-self-employment-pilot/</u>

³⁴ http://www.socialfirmsengland.co.uk/types-of-social-firms/

³⁵ See for example <u>https://www.theguardian.com/world/2013/mar/07/mondragon-spains-giant-cooperative</u>

- It was suggested that there was a need to work and lobby with grant and contract providers to tackle the problem of endemic insecurity within the sector, for both organisations and individual employees, due to the relatively short length of contracts and time spent securing funding.
- Funders could be encouraged to adopt more appropriate payment schedules to avoid organisations having to endure cash flow crises waiting for payments, and include space in project appraisals for workforce issues and impacts.
- Discussions with funders should happen about the perennial problem of core funding, particularly if this deficit impacts on the ability to deliver service contracts or grant projects successfully, for example, through continual innovation, or to fund employee training.

Maximising the use of Social Value

Both events also suggested that forthcoming revisions to the Social Value Framework for GM could provide an opportunity to improve good work, for example, through enabling larger organisations to support smaller organisations, say through HR expertise or allocating places on training courses, or by GM Commissioning Hubs brokering collaborative resource sharing. This approach could be further supported through the likely move by local authorities such as Manchester City Council to further specify the kinds of social value desired.³⁶

Union for VCSE employees

There was support for continuing the discussion started by Alex Whinnom, CEO of GMCVO, in his presentation at the VCSE roundtable, over a form of union for voluntary sector employees to provide collective voice for concerns, and also to potentially create a way for individuals to have a backbone of support and training as they move between organisations. Participants raised some interesting examples that could provide a basis for something similar to evolve in the VCSE sector.

³⁶ As suggested in the VCSE roundtable by the representative from Manchester City Council.

Appendix One – The Greater Manchester Good Employment Charter

(https://www.gmgoodemploymentcharter.co.uk/)

The Greater Manchester Good Employment Charter was developed through two public consultations and collaboration from business owners, employers, trade unions and employees from across Greater Manchester. The Charter Supporters' Network was launched in July 2019 with over 60 members to have a "shared ambition of creating good jobs for all, with real opportunities to help people progress, develop and contribute to our thriving regional economy".

Charter supporters have to commit to raise standards across a number of themes:

- Extending secure work- "We commit to giving our employees clarity over the hours they work and not to use unnecessary forms of insecure employment, so they have more security over their income and can manage their work and non-work commitments more easily."
- Extending flexible work "We will give employees the opportunity to work flexibly wherever possible, providing greater equality of opportunity, creating a more diverse and inclusive workplace and helping us make better use of the skills and talents of our workforce."
- Working towards paying a real Living Wage "Set at the level recommended by the <u>Living Wage</u> <u>Foundation</u>, so our employees can achieve a decent standard of living and that we, as employers, can benefit from better retention and workforce engagement, with the savings that brings."
- Improving workplace engagement & voice "So that our staff can fully contribute to the direction and success of our organisation and share their roles, with recognised trades unions facilitating the expression of the employees' collective voice where possible, building effective employee engagement activity and with support from relevant professional bodies."
- Developing excellent recruitment & progression "So we as employers can take full advantage of the diversity and talents across all Greater Manchester communities through transparent, inclusive and fair processes, engaging with schools, further education providers and employment programmes, making sure our staff have opportunities to continuously develop and use their skills and experience."
- Improving people management "We value all our employees and will develop fair and inclusive workplaces, investing in the training and development of the workforce, including managers, and inspiring and motivating staff to make sure we are a successful and high performing organisation."
- Developing a productive & healthy workplace "We support the mental and physical health of all our employees, including adjustments for employees with long-term conditions and disabilities, delivering high standards of health and safety in the workplace, and so reducing the costs of absences and providing the benefits of a more diverse workforce."

There will be three tiers to the Greater Manchester Good Employment Charter:

Tier 1: Supporters – for those employers who support the aims of the Charter and Greater Manchester Strategy, but are not yet in a position to meet the requirements of accreditation.

Tier 2: Membership – requiring employers to demonstrate excellent practice in key characteristics of employment practice.

Tier 3: Advocates – employers who meet high standards in all the key employment characteristics to be Members, and then go out to other employers to encourage them to raise employment standards and join the Charter process.

Appendix Two – The Adult Social Care and Good Employment roundtable

Introduction

The roundtable on Good Work and Social Care was held on 18th December 2018. Attendees included residential care and domiciliary providers; the NHS; Local Authorities; Greater Manchester Combined Authority (GMCA); GMHSC (GM Health and Social Care Partnership); GMICSN (<u>GM</u> <u>Independent Care Sector Network</u>); UNISON, academics, intermediaries and support providers. The event began with a presentation on findings from a case study on social care for the LIS (Local Industrial Strategy) by MMU³⁷. There was then an overview of the then GM Employment Charter draft, followed by a group discussion on each of the then six Charter themes together with ideas about how best to increase good work within the sector.

The general feeling was that the Employment Charter could be a beneficial intervention which would set aspirational targets for the sector. One participant summarised the positive sentiment saying: "If my business has achieved this, it sets you apart. It enables me to think, what do I need to do to be a better employer?".

The six themes of the draft Employment Charter at the time of the roundtable in December 2018 are listed below (and hyperlinked to the related discussion sectors below):

- <u>A real Living Wage</u>
- Flexible working
- Workforce engagement and voice
- Excellent people management
- <u>A productive and healthy workplace</u>
- Excellent recruitment practices and progression

The main points arising from the event

The six themes of the draft Employment Charter provide a good checklist both for individual organisations as well as intermediaries including GMHSC and GMICSN, to see where they are succeeding and where they might need to do more work.

There was concern that the current funding and operational environment for independent adult social care providers prevent some employers paying the real Living Wage (RLW) even if they want to do so. There was therefore general support for more flexibility over Charter attainment.

Looking at the Employment Charter themes overall, there was felt to be a gap in relation to the health and wellbeing of carers. This was believed also to be true of the ASC Transformation Programme. (However, there does appear to be some relevant activity, identified in the <u>Healthy and</u> <u>Safe Workplace</u> section below.)

There needs to be more thought and practical initiatives around how to provide ways for social care providers, in both the independent and public sector, to access and share good practice, whether specific to the sector or general. This could build on existing networks, particularly, the GMISCN and GMHSC, as well as more local or GM-wide forums, or the creation of new.

This latter point reflected one of the main questions arising from Professor Carol Atkinson's (Associate Dean, Research, Decent Work and Productivity Centre, Manchester Metropolitan University, Faculty of Business and Law) presentation to the workshop on how to scale up local and

³⁷ https://www2.mmu.ac.uk/media/mmuacuk/content/documents/business-school/decent-work-andproductivity/GMIP-review.pdf

small-scale innovations. The range of different strategies and good practice offered within even this small event, reinforced the extent of positive examples around GM. It was felt that increasing the spread of good work principles and practices, and hence ability to achieve the Employment Charter as well as good work more generally across the sector, is dependent, particularly for smaller organisations, on being able to access appropriate support.

Participants also felt that, despite some comments in the Employment Charter consultation about sectors not wishing to work together because of competitive pressure, this was not the case for social care, where it was felt there was a fairly high level of collaboration. However, it was unclear who would, or could, take on the roles of information dissemination and bringing organisations together. Some potential collaborations and ways forward suggested were:

- To create local networks for sharing good practice on employment, as well as other care quality innovations. It was noted that Registered Manager (RM) forums already exist, for example, in Stockport (run by Skills for Care) or in Oldham (started by an RM). The question was asked whether something similar could be set up for domiciliary care.
- Both GMHSC and GMICSN were both seen as natural points to promote and disseminate the Charter and related good practice. "The GM Independent Care Sector Network is a great platform to disseminate information to providers and employers and to join up practice and thinking. The Charter is an opportunity for doing this."
- Creating a portal or platform for sharing good practice in digital innovation.

To surmount some of the financial and/or resource barriers to taking on better work initiatives, there were suggestions for more collaboration between providers, and between providers and commissioners to reduce costs through either bulk buying, sharing specific resources, or through clever use of commissioning/social value

The forthcoming revised Social Value framework for GM is likely to focus on measurement, contract management and ways in which value can be more relevant to need within different Local Authorities. It was suggested that local GM Commissioning Hubs could encourage collaboration between organisations to share costs, or perhaps use Social Value to meet workforce development needs, for example, linking larger with smaller providers. And local authorities could use their bulk-buying power to reduce costs for providers. This led to one LA suggesting that their HR capacity could be made available to providers, and another suggestion that social care organisations could share back office functions, whether related to workforce issues, or other aspects of the business.

The event highlighted the benefits of considering social value, the LIS, and the Employment Charter together at sectoral level, not only because of the substantial overlaps, but also to better harness resources and streamline policy to achieve positive change.

Questions were also asked about how commissioning can better incorporate workforce development and ensure any uplift in funding is translated into improved pay and conditions for carers, rather than translating directly into profits.

Social care in Greater Manchester

The box below summarises the Adult Social Care (ASC) sector in Manchester – its employment characteristics and challenges. It draws on Carol Atkinson and colleague's work for the Greater Manchester Independent Prosperity Review as well as information from the GM Health and Social Care Partnership (GMHSC).

Adult Social Care in Manchester – employs around 64,000 frontline care staff in GM, 50,000 of whom are in the independent sector (GMCA/NHS_in_GM, 2018).³⁸ There are approximately 460 care homes, and 350 home support agencies, with yet more provision in the voluntary and community sector. Whilst there is privately-funded provision, as well as NHS services, much social care is commissioned within GM at LA level through competitive tendering in both home and residential care. The independent sector provides about 80% of care.³⁹

Key workforce challenges include: low pay levels; lack of professional recognition and career structure; low skills and workforce quality; problems of recruitment and retention (turnover varies across boroughs between 18.7% and 36.2%); few progression opportunities; working conditions (20% of frontline care works are employed on zero-hours contracts), and with limited diversity (predominantly female/older) and poor sector image.

These factors have led to what has been called a 'workforce crisis'. Part of the recruitment challenge relates to the negative perception arising from media stories of bad practice, as well as a prevailing view that this is a low status career. However, it is recognised by those working in the sector that social care is both a rewarding and skilled occupation. Future trends towards increased need, as well as complexity of care, will require greater skills as well as increased employment in the sector.

One of the main conclusions of Atkinson et al's work, as well as other research, is that the nature of employment within social care is profoundly influenced by the prevailing public policy framework and commissioning practices, particularly the restricted level of public money available for service provision; with risk often transferred to employees due to the low and unstable funding provision.⁴⁰ Whilst not all social care providers are reliant on public money, many are. The result is that independent provision, particularly in ASC, has been competed down to a level where pay rates and working conditions are low. It is therefore impossible to consider the potential for improving working conditions in the absence of wider system changes. (A delayed <u>Green Paper on adult social care for England</u> will begin a consultation on how to "ensure that the care and support system is sustainable in the long term".)⁴¹

Because of the devolution of health and social care to GM, the GMHSC has introduced an ASC Transformation Programme. A core driver, and one that has recently been prioritised, is that of workforce development – particularly due to formal and informal evidence of the positive impacts on the quality of care if both pay, as well as terms and conditions, are improved. An evaluation of UNISON's <u>Ethical Care Charter</u> also shows that where this has been implemented, there has been improved pay, job satisfaction, and continuity of care.⁴²

The available evidence underlines the centrality of improving workforce pay and conditions both for moral and for productivity (particularly quality of care) reasons.

Activities include for example initiatives/pilots for both residential and domiciliary care to improve workforce skills, job redesign, as well as reorienting health and social care delivery to focus on more 'care in the community', as well as more integrated neighbourhood working (with presumed resultant effects for employees of reduced travel time, increased trust and mutual support). (See <u>Management and workplace practices</u> below for more examples.)

 ³⁸ GMCA/NHS_in_GM (2018) Adult Social Care Transformation Programme Workforce Strategic Priorities.
 ³⁹ This and other information in this summary comes from MMU's research into Adult Social Care for the GM Independent Prosperity Review: <u>https://www.greatermanchester-</u>

<u>ca.gov.uk/media/1908/gmipr_tr_adultsocialcare2.pdf</u> supplemented by information from the GMHSP presentation to the 2018 joint conference between GMHSP and GMICSN - <u>https://www.gmicsn.org.uk/events-conferences-notices/</u>

⁴⁰ See for example Dromey J and Hochlaf D (2018) *Fair care: A workforce strategy for social care*, ippr. <u>https://www.ippr.org/research/publications/fair-care</u>

⁴¹ https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8002

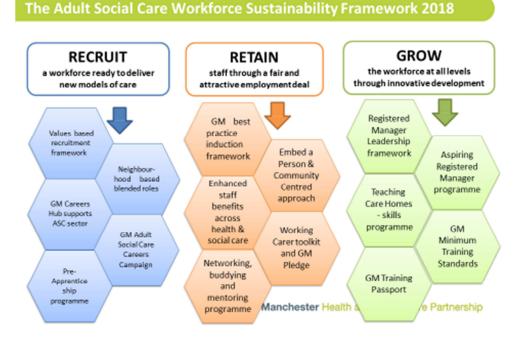
⁴² https://www.unison.org.uk/content/uploads/2013/11/On-line-Catalogue220142.pdf

There has been, in recent years, evidence of improved quality (as well as working conditions) within GM. According to the Care Quality Commission, of those inspected, 72% of care homes in GM are currently rated as either good or outstanding – a 17% improvement since April 2016; and of those inspected, 85% of domiciliary care agencies are rated good or outstanding – an improvement from 60% in April 2016.⁴³

However, there still remain challenges to be addressed by ongoing innovation and practical development at local, and GM level. An example of a planned initiative is a GM ASC Recruitment Campaign in 2019.

The following slide summarises the workforce strategy for GMHSC as presented to the <u>November</u> <u>2018 joint conference between GMHSC and GMISCN.</u>⁴⁴ At that event, Jon Rouse, Chief Officer, GMHSC, pointed to the need for an ongoing focus on workforce development: "As people are living longer with more complex needs, that also means an investment in new and additional skills, a new workforce deal, values based recruitment and blended roles leading to new carers in health and social care".

Some of the innovations taking place, such as self-managed teams, have happened through extra financial support. Professor Atkinson therefore identified a challenge of how to scale up innovations taking place throughout GM, whether through the ASC, Local Authorities, or by individual organisations.



Employment Charter themes

Pay and related rewards

Draft Charter - A real Living Wage so that an employee can achieve a decent living standard

This Charter theme was felt to be the hardest for social care, although the overall feeling was that it was one to 'aspire' to. This was particularly the case since, while there were examples in the room of people paying the RLW, there were also those who could not, despite wanting to.

⁴³ Data presented to GMHSP/GMICSN conference November 2018 [ibid].

⁴⁴ <u>https://www.gmicsn.org.uk/events-conferences-notices/</u>

The point was strongly made that it is important to distinguish between different kinds of provider, and their circumstances. For those organisations more reliant on private clients it may be easier to pay the RLW, or for those who cross-subsidise from fundraising or other activities. However, some organisations may be unable to cross-subsidise, particularly the smaller ones. There are of course some providers who may be exclusively profit-driven, and with the need to distribute to shareholders, but who could pay the RLW if encouraged or required to. However, the relatively flat structure of social care organisations means that higher grades and responsibilities do not pay much more, contributing difficulties to incentivising progression. There is also the danger that achieving the RLW may be at the expense of dampening down pay at levels just above the lowest, further squeezing pay grades.

Other issues include different commissioning practices around GM creating pay differentials between different LA areas. This was believed to be part of the high turnover or 'churn' as people move around GM searching for better pay. Additionally, higher rates paid by the NHS were also seen as a disincentive to remain in the independent sector. Participants believed that low pay encouraged some people to move to other career paths within health such as nursing, or out of the sector altogether, such as to retail for less responsibility.

<u>The Living Wage Foundation</u>, and other employers, have argued that there are benefits to providing the RLW in terms of increased staff motivation and reduced retention, which impacts on productivity and hence pays for itself.⁴⁵ However, one example was given that suggested that the margins were such that, as a charity, if they paid the RLW, even despite top-ups from fundraising, this would be at the expense of reserves and potentially other aspects of workforce development.

It was made clear that in order to ensure that paying the RLW was more feasible, there would need to be changes in commissioning. It was felt that the existence of the Charter might further encourage this discussion with commissioners. It was also stressed that it is important to look at payment for all hours worked, not just contact time – in other words, support for travel time, training etc. It is therefore important to consider the full employment package.

It was suggested that if Charter achievement is to be linked to the revised framework for Social Value within GM Commissioning for social care, it could be done by showing improvement over the life of a contract.

Working times and hours

Flexible working for those who need it, such as employees with caring responsibilities, but security for those who are working regular hours

The participants noted that flexible working within social care has to be balanced with the needs of the user for continuity of care, and care at the times that users need it. This means that there cannot be absolute flexibility, but more of an accommodation between the two needs. An example of good practice was given whereby a carer works out their own life needs to fit around and with those of the user. It was noted that flexibility is part of the ASC 'Carers' Toolkit' but "they have not yet cracked it".

In residential care one attendee said that there has been a movement away from part-time to continuous care, because of the costs of training, and a need to ensure continuity of care. Some commissioners have enabled guaranteed hours through smarter commissioning. This example shows that this is as much a system issue, as one for individual organisations, and with differences across GM.

⁴⁵ <u>https://www.livingwage.org.uk/</u>

Workforce voice and engagement in decision-making

Workforce engagement and voice in the workplace, so that employees can wherever possible shape their own roles and the direction of the organisation, being able to engage through the independent collective voice of the workforce, with facilitated trade union activity and formally recognised unions where possible

There was unanimous agreement from those present that this was a good thing. An example was given of encouraging union representation where it had not previously existed which had led to better conversations and engagement. The point was stressed by a union representative that this approach not only improves care quality but also enables dignity – a significant motivator for employees.

One attendee said that he had tried to increase employee engagement but that this was hard to do within existing teams. He wondered whether using an external peer as a facilitator might enable better dialogue. This is another example of the potential of greater collaboration to improve workplace practices.

Management and workplace practices

Excellent people management practices, including valuing older workers and managing pregnancy and maternity in the workplace

GMHSC had supported pilots for different ways of working, and of job redesign, likely to become increasingly necessary with greater HSC integration. Examples were set out in Carol Atkinson's presentation, and related case study. These include:

- Self-managed teams where carers manage their own rotas, hours and timetables jobs
 previously done by managers which enables a greater focus on client need, and increased
 skills. The results for workforce development are believed to be improved staff retention,
 improved job satisfaction, and increased continuity of care. Reduced infrastructure costs have in
 some cases enabled increased pay, as well as guaranteed hours with the expectation that
 these changes will pay for themselves.
- A focus on commissioning for guaranteed hours, flexibility, and pay covering travel; with the belief that this has increased recruitment and retention.
- Addition of district nurse skill sets for carers anecdotal evidence of improved job satisfaction and increased recruitment and retention.
- Block payments requiring carers to be paid at a higher rate are believed to have increased recruitment and retention, job satisfaction, and reduced sickness absence.

Healthy and safe workplace

A productive and healthy workplace, including adjustments for people with long-term conditions and disabilities and support for better mental health

Carers have their own health needs. The nature of social care is recognised to be at times stressful and isolating (for domiciliary in particular). The GMHSC recognised that this issue needed to be incorporated into their workforce programme. (However, there was mention in the joint GMHSC/GMISCN conference in November 2018 of a "network exploring a mental health/stress in the workplace campaign to acknowledge issues and support managers and staff" within the ASC Transformation Programme.) There could also be signposting to general sources of information on health, resilience and reducing stress, including material from the Working Well Programme. It was felt overall that a health checklist would be useful for employers.

An example was given of some housing associations holding wellbeing afternoons. However, it was also noted that this kind of approach can be costly. The <u>GM Health and Wellbeing Board</u> includes a

Health Audit and training for managers. It was thought that some of this material could be more widely shared. $^{\rm 46}$

There is already a focus within the ASC Transformation Programme on how to encourage people with learning difficulties into the workforce and support providers. It was suggested that commissioning practices (perhaps through Social Value) might help support this shift.

Recruitment, training and progression

Excellent recruitment practices and progression in the workplace, including through engagement with schools, well-paid apprenticeships, transparent and open recruitment and skills development for employees

GMHSC representatives believed that the Charter needed to be more explicit on diversity and equality. The Adult Social Care sector has an ageing and overly female workforce. Reports such as the <u>Kline et al 2017 report on race equality</u> show the benefits of increased diversity. In 2019 the Workforce Development programme would be focusing on schools, as well as a wider GM recruitment campaign.⁴⁷

Progression was acknowledged as another challenge for the sector, with possibilities linked to job redesign and greater integration of health and social care. Suggested routes would arise from reconfiguring health and social care roles, for example, linking social care to nursing assistant roles, or incorporating district nurse skills.

The importance of encouraging 'Values Based Recruitment', rather than just specific job experience, was stressed. Its benefits have already been seen in pilots both to increase the quality of recruitment and also to encourage recruitment of people from a variety of backgrounds. There was particular concern that there should be a career structure within homecare otherwise people will just move on, particularly if progression is enabled to other health roles. There were comments that this was likely to be developed, but not for a few years. Participants at the roundtable also suggested that volunteers should not be forgotten in the search for future potential employees.

The joint GMHSC/GMICSN conference in November included a session on encouraging recruitment. The main challenge was the poor image of the sector and need for branding and positive narrative. Other ideas suggested included: a 'perk box' to support recruitment and retention, eg, gym membership, mobile phones; and taking longer over recruitment by inviting people in for coffee and helping them with their application forms; working with schools or Duke of Edinburgh to encourage young people; linking unemployed people with vacancies.⁴⁸

⁴⁶ <u>http://www.manchesterpartnership.org.uk/manchesterpartnership/info/6/health_and_wellbeing_board</u>

⁴⁷ https://www.england.nhs.uk/wp-content/uploads/2017/03/workforce-race-equality-standard-data-report-2016.pdf

⁴⁸ Thanks to GMICSN for providing the draft summary of their workforce roundtables.

Appendix Three – The VCSE and good work roundtable

Introduction

The workshop on the VCSE sector and good work was held on the 8th October 2019 in partnership with the GMCVO, at St Thomas's Centre in Manchester. The event brought together existing (but limited) data on employment, as well as knowledge from a range of intermediary bodies and VCSE organisations across Greater Manchester such as those that work in areas such as housing, community development, and care. Participants also explored different aspects of good employment, under the seven themes of the GM Good Employment Charter, and brainstormed what could be done going forward to improve practice.

The seven themes are:

- Extending secure work
- Extending flexible work
- Working towards paying a real Living Wage
- Improving workplace engagement & voice
- Developing excellent recruitment & progression
- Improving people management
- Developing a productive & healthy workplace

The event showed that the VCSE sector can benefit from sharing good practice, learning particularly from those organisations that particularly prioritise workforce engagement and ownership, as well as brainstorming together ways to tackle more structural and systemic challenges.

Main points arising from the event

- 1. The need to work and lobby with grant and contract providers to tackle the problem of endemic insecurity within the sector, for both organisations and individual employees, due to the relatively short length of contracts and time spent in securing funding.
- 2. Funders could be encouraged to adopt more appropriate payment schedules to avoid organisations having to endure cash flow crises waiting for payments.
- Discussions with funders about the perennial problem of finding ways to fund various aspects of core functions, particularly if these impact on the ability to deliver service contracts or grant projects successfully, for example, continual innovation, or appropriate pay and conditions, or employee training and development.
- 4. There was support for continuing discussion over a form of union for voluntary sector employees to provide a collective voice for concerns, and also to potentially create a way for individuals to have a backbone of support and training as they move between organisations.
- 5. Learning from other sectors, and kinds of organisations such as co-operatives and employeeowned businesses, about how to encourage a greater sense of involvement and responsibility, and hence increase job satisfaction within organisations. Also learning from the creative industries about how to support career progression in a workforce that moves around a great deal.
- 6. Consideration of the use of digital platforms to better enable job matching; or ways of enabling or encouraging greater collaboration more generally between organisations to share resources and expertise (for example, on HR), as well possibly as people (as in Mondragon in Spain). This could include greater use of networks, or consortia, where resources could be pooled (for example, to support HR or joint bids)

- 7. Consideration of whether or not a tailored management framework would be useful for VCSE, drawing on and adapting good practice in, for example, competency frameworks.
- 8. More targeting of social value by commissioners for example in offers by providers to meet stated VCSE needs such as to support good employment; and to find ways to better broker opportunities, such as free places on training courses.
- 9. Discussions with anchors such as housing associations around their potential role in brokering collaborations between organisations, over good employment practices (as well as initiatives relating to wider local impact)

Good employment and VCSE

Data on good employment within VCSE is fairly limited and would benefit from greater exploration. Using national level sources we can get a rough idea of the kinds of issues affecting the sector. The problem with such data is that it is heavily biased by the presence of larger (often HQ) organisations within London.

The NCVO's *UK Civil Society Almanac, 2018* provides information about charities (including those social enterprises which are registered as charities).⁴⁹ Overall, charities are mostly small, with 61% having less than 50 employees, and 25% less than 10 paid staff. This is comparable to the private sector, which is mostly comprised of SMEs. However, relative to the private sector, charities have predominantly female staff (NCVO, 2015) with 66% of employees being female, as opposed to 40% in the private sector. Voluntary sector workers also tend to be slightly older with 38% over 50, compared with 34% in the public sector, and 29% in the private sector. The sector, however, is not automatically more inclusive, since the percentage of BAME employees at 9%, is less than that of the public and private sector, at 11% of employees.

The *State of Social Enterprise Survey, 2017* asks more in-depth questions on employment. However, it is a sample questionnaire, and is reflective only of social enterprise, and not the wider VCSE.⁵⁰ According to that information, most social enterprises are microenterprises, with over half having 1-9 employees. 78% of those surveyed paid the real Living Wage (in 2016 a similar percentage was shown to be higher than the figures for SMEs, at 53%). The average salary of a CEO is £36,115 reflecting a salary ratio (highest to lowest paid) of 2.7:1. This ratio increases with organisation size. Those having over 100 employees have an average CEO salary of £104,000, with an increased pay ratio of 7.6:1. There is some evidence of a gender pay gap, with women CEOs paid on average £35,466 compared to men's £37,758.

Women run 41-43% of social enterprises with over 100 employees; compared to SMEs at 20% and 7% of the FTSE 100. 12% of social enterprises (SEs) are run by BAME, which is similar to the UK population, and better than SMEs (5%) and charities (3%). On inclusion and diversity, 4 in 10 say that they employ disadvantaged people; 9% have women comprising their whole workforce; and 51% over half. 8 out of 10 (79%) social enterprises recruit local staff; 58% their entire workforce.

Looking at staff engagement and development, 88% involve staff actively in decision-making; and 79% believe that they invest well in staff training and development.

There are recognised recruitment and skills gaps. Finding the right people for the right roles is the key barrier to sustainability/growth; with a similar proportion identifying skills shortages.

The Joseph Rowntree Foundation commissioned a study in 2016, *Cities, the Social Economy and Inclusive Growth*, which looked at the wider concept of the social economy (including for example all

⁴⁹ Since the time of writing the *NCVO UK Civil Society Almanac 2019* has been produced with more up-to-date figures. You can find the current data, as well as previous editions at <u>https://data.ncvo.org.uk/</u>

⁵⁰ <u>https://www.socialenterprise.org.uk/the-future-of-business-state-of-social-enterprise-survey-2017/</u>

co-operatives and mutuals, as well as in this case employee-owned companies) on the concept of 'inclusive growth'.⁵¹ The report found that overall social economy organisations (SEOs) aim to provide 'decent jobs' – fair pay, good working conditions, inclusive employment practices, prospects, security, job satisfaction, but that the limited evidence is mixed.

However, it seems that overall SEOs tend to provide better job satisfaction than the private sector. Pay and conditions vary by for example sector, type, local area, and beneficiaries. Some organisations, particularly those working in disadvantaged areas or with disadvantaged people, can struggle to provide decent pay, and good promotion prospects, or security. On the other hand SEOs operating in more mainstream markets, and for some public sector provision, might treat employees better and sometimes have higher wages (particularly co-operatives and employee-owned businesses).

Good Employment in Greater Manchester's VCSE

There is some available data for Greater Manchester. The *Greater Manchester State of the VCSE Sector 2017* found that 10% of organisations employed 20 or more FTE paid members of staff, 77% less than five, and 51% none.⁵² Whilst recruiting skilled staff was not in the top three 'assisting' or 'constraints' criteria, it was for some local authorities such as Tameside, where employing skilled staff was the top issue.

Some interesting quotes from GM organisations illustrate the challenges arising for pay and employment security from the grant and contract funding systems:

Biggest challenge is paying staff salaries following the loss of local authority funding and therefore retaining staff."

"We are unable to retain staff when a grant ends, which is frustrating, and we also risk losing staff because of relatively low pay."

"Not having sufficient budgets to remunerate staff properly or provide incentives mean we lose staff or have less ability to offer training."

Alex Whinnom, in his presentation to the roundtable, saw the Greater Manchester Good Employment Charter as an opportunity to showcase what the sector is doing well. He also acknowledged that there are problems. Overall, there are things that organisations cannot do; things they could do together; and things where collective action is needed to solve structural problems.

There is a culture, he said, within the sector of respect for everyone involved, and a desire to be inclusive. The VCSE sector can provide a great deal of flexibility They can also provide autonomy, can move fast, and have little bureaucracy. This is similar in many ways to being an SME, particularly worth noting since the majority of organisations and businesses within GM are predominantly small. It is also important to emphasise that the business model prioritises social good, and not profit.

Alex pointed out that there is, however, a paradox within the VCSE – that the sector employs a larger amount of people from poorer demographics, but may give them less 'good' work. It may not however be the case that Greater Manchester has an issue with BAME representation, since a Learning and Skills Council report from around 2006 showed (differently to the national data) that the sector in Greater Manchester is relatively better at employing BAME or disabled people. The resulting employment reflects the diversity of Greater Manchester.

⁵¹ https://www.jrf.org.uk/report/cities-social-economy-and-inclusive-growth

⁵² https://www.gmcvo.org.uk/publications/greater-manchester-state-vcse-sector-2017

Whilst 65% of organisations have women leads, this can be a double-edged sword. Why is it, Alex asked, that there is less security, and lower salaries, in these occupations than in the private or public sector? So there are swings and roundabouts for the sector.

There is widespread insecurity (arising predominantly from the risky nature of funding). And for many social enterprises that are start-ups, people do not pay each other at all.

So why do people want to work in the voluntary and social enterprise sector? Alex argued that it is because there is flexibility in work, autonomy, and the fact that it is focused on people. But voluntary sector organisations can tend to put helping society before their employment models. It can be difficult to progress within such organisations, so some people may move out of the organisation and out of the sector entirely (to the public and private sectors). As a result, organisations can lose their knowledge and staff.

There are also health risks in the sector, with stress being a large problem, arising from overwork, and not having proper holidays.

Systemic issues affect the level of pay that can be given. The funding model doesn't allow for decent salaries because of the level and intermittency of project funding. Because of the nature of project delivery, there are difficulties in career progression, or development and learning, due to little available spare money. Finding money and time for 'extras' such as attending events like this can be difficult.

The need for a collective employment voice

Alex spoke about the fact that the sector as a whole isn't unionised since organisations are too small. However, he argued that there is a need to be able to mobilise collectively, particularly in order to respond to external structural challenges that prevent people from having 'good' jobs. If everyone got together he felt that they would be a force to be reckoned with. People would sign up if there was something that met the needs of the workforce. Current unions he believed do not really understand what it is like to work in the sector.

Participants raised some interesting emerging models that could provide a basis for something similar to evolve in the VCSE sector. For example, a union is being created for creatives and artists. Another example is that of unions for the self-employed emerging around the world, or for the gig economy more specifically.

The challenge was raised as to who is going to get this idea going. Perhaps, it was argued, there is a need to put out a challenge, to encourage someone or some organisation to take this on.

Looking specifically at GM Good Employment Charter themes (See Appendix One for full details):

Extending secure work

Some participants observed that often security of employment can be a bigger issue than pay. The reason for insecurity is due to the reliance by so many VCSE organisations on contracts and grants for limited periods, albeit sometimes with the possibility to extend. This means that it can be impossible to offer secure work since there is no surety that follow-on funding for that person will be available. This is an example of the kind of structural constraints which make it difficult for the VCSE to meet the Charter standards.

It was also suggested that it seemed to be becoming harder to get grants, and you could be waiting a long time to hear whether or not you had been successful. This raises the difficulty of keeping someone on for a period. There was also a feeling that EU exit could increase competition for funding, and extend the time period to hear outcomes. It was possible that some small organisations could crumble while waiting. Some organisations spoke about different strategies for managing this difficulty. One person talked about the way that they manage budgets over the year. Others may use investment funds to provide a buffer to maintain a service, which would be paid back by surplus created. It was recognised though that this is not the right approach for all. If some problems are related to cash flow, payment terms by funders themselves may need to be altered, so that for example they pay at the beginning, middle and end, rather than just at the end.

One suggestion was the need for longer grant and contract periods to better offer secure employment.

There might also be things to learn from the co-operative sector. In Mondragon, in Spain, with an 80% co-operative economy, if some organisations are struggling to maintain employment people might go to other companies (or indeed may lower their pay for a period of time to maintain employment). Their priority is to maintain the workforce. There is evidence from the EU and others that over the recession co-operatives in general survived better with respect to maintaining employment and output.⁵³ This discussion led to the idea of whether or not there is a way to share people around in VCSE at various times or for various functions.

A point was raised about how transparent organisations were about this employment insecurity. Do you accept shorter job terms or review every six months? Others said that whilst they may not have funding to guarantee a long term job, they would always give people full contracts so that they have no problems for example in getting mortgages. This happens too in the private sector. There is the possibility that someone might have to be made redundant, but at least they have the benefits of a secure contract during the period that they are working.

Another example was given of allocating part of grant bids to cover R&D (or employee development) and making it clear that this was not a management fee. Rather it was to fund the activities which enable that organisation to deliver better than others.

Extending flexible work

There was an acknowledgement that some people want flexibility and that this was important to recognise. An example was raised of an organisation who had been thinking about how to better cover childcare rosters, rather than using expensive agency workers, and balancing this with the flexibility needs of some employees. They had thought of creating a digital platform to match the needs of a group of similar social enterprise childcare providers with people who could bid for different shifts, and hence create more secure but flexible employment. Another organisation said that they had a bank of staff with flexible contracts.

This idea of creating some kind of flexible digital model was attractive to participants.

Working towards paying a real Living Wage

There was much discussion about the inability of some organisations to be able to pay the real Living Wage due to the level of funding provided through some public sector contracts, such as in social care, as well as the finance available through some grants.

It was also noted that there was a difficulty if a requirement was introduced through public sector contracts in GM which required public sector contractees to pay the RLW, since it may not be

⁵³ See for example European Commission (EC) (2010) Innovation: creating knowledge and jobs. Luxembourg: European Commission; Birchall, J and Ketilson, LH (2009) Resilience of the cooperative business model in times of crisis. Sustainable enterprise programme/responses to the global economic crisis. Geneva. International Labour Organization; Pérotin, V (2014) 'Worker cooperatives: good, sustainable jobs in the community', Journal of Entrepreneurial and Organizational Diversity, Vol. 2, No. 2, pp. 34–47; Matrix Evidence (2010) The employee ownership effect: a review of the evidence. London, Employee Ownership Association.

affordable for other parts of an organisation's workforce, thus creating a two tier workforce. However, the point was made that this is not an argument for commissioners not to do this.

An example was given of organisations which are lucky enough to have multiple funding streams and which can generate enough revenue to have standard pay scales and pay the RLW and above across the board. It was however recognised that this is not possible for all. There should, it was argued, be equal pressure on funders to recognise and respond to these problems, paying adequately and for long enough periods of time.

It was pointed out that if agency staff are taken on this can create bad feeling if they are paid at higher rates but may be necessary if delivering a contract requires increased resources. The gig economy can sometimes be high wage, not just low and precarious, which poses challenges.

Improving workplace engagement and voice

There was a discussion about the importance of workforce engagement, whether to ensure that people's grievances are heard and to avoid negative implications, such as tribunals, but also to create positive outcomes, such as a greater sense of commitment, better ideas and services development, and also to increase the feeling of ownership and responsibility. An example was given of an organisation that set out all the roles that needed to happen to ensure that the organisation ran smoothly, and asked each of the staff to take responsibility for one area. This created more autonomy and empowerment, and a greater sense of ownership.

Other examples included a staff advisory group, staff away days; staff survey, regular supervisions, team meetings and whole organisation meetings to find out what everyone is doing. There were also subcommittees, and closed as well as open AGMs with social elements and guest speakers.

However, it was also recognised that engagement costs money, and cannot be built into grants.

There may also, it was suggested, be learning from employee-ownership organisations where the desire to contribute can be very high.

Developing excellent recruitment and progression

There was a comment, echoed by several others, that they seemed to be having more of a problem with recruitment. Additionally, younger people were not filling in forms, but just sending their CVs.

GMCVO pointed out that they had two projects to help organisations improve their recruitment. They did mystery shopping on recruitment, such as reviewing adverts to see if they worked for and were understandable by young people. For example, what does 'servicing meetings' mean? It is a free service and is done by young people who have experienced barriers to employment. For those beyond entry level jobs, they have a resource aimed at, for example, carers going back into employment. Again they look at the job advert to see if it works – could the job be shared, is there home working, are they open to flexible working?

Internships are known to be problematic since people who use them can afford to manage that time with no wages. One organisation said that they pay internships at the RLW so that they can be accessible.

On progression it was noted that one reason for using interns was so that people could see whether or not the sector was for them. There was an expectation in another organisation that someone had worked for that they grew people and wanted them to leave. They would second employees, encourage them to go and do other things. It is not possible to always keep people on, but you can add value and support them in their journey.

It was also suggested that the creative industries may have much to offer since people tend to move around a lot and network and socialise together to find out about and secure these positions.

Another related area to learn from might be the National Union of Journalists (NUJ) which includes self-employed members and where people can gain legal advice, or personal training as a backbone throughout a career. In other words training can follow the person. What would it take, it was asked, for the VCSE sector to have more spaces where people could meet and network?

Some participants noted that there were already networks in GM like GMSEN or GMCVO or more local ones but these tend to be between organisations and not people *per se*. There is a voluntary sector assembly in Manchester, and similar in, for example, Tameside.

Improving people management

There was agreement that investing in managers is important but a recognition that there was not enough of it. One organisation said that they have many volunteers, some of whom have excellent skills. Now they can offer coaching to all managers with qualified coaches. The learning is then fed down through teams.

Someone who was new to the sector asked about management frameworks and Key Performance Indicators (KPIs) or competencies and whether or not these were used. Mostly the answer was no, although some had started to do this. It was pointed out that it depends what people are doing and that some work has no easy targets but rather project goals. There was the idea that people who have similar functions across organisations could learn from each other.

Developing a productive and healthy workplace

On mental health, there seemed to be a fair amount of activity. One organisation had mental health charities come to team meetings and talk about what they do, provide information on staying healthy and reducing stress, as well as who to turn to. Another had mental health first aid training. There was the thought that a consortia approach might be useful here too. The GM Growth Company was doing network events and one had been on mental health, as well as how to enable people with 'disabilities' such as Asperger's to have a good work environment which played to their strengths.

It was also noted that within the sector, social firms have a great deal of experience of working with people with mental and physical disabilities, and who may help others to improve or adapt their practices.

Moving forward

A key thread in the discussion of practical solutions to better enable good employment in the sector centred around collaboration between organisations, to see how, for example, they could work with others to provide HR support/share resources.

The idea of sharing backroom functions has been around for a long time but it was felt that there was a need to understand what was stopping it. There was a comment that the Co-operative Commission might have some related suggestions, since its focus is on collaboration as well as individual organisations. There was an example raised of an artists' network, where they share ideas, and collaborate.

Ultimately, like the idea for a union for VCSE workers, there need to be people or organisations with time and resources to broker collaborations or get related initiatives off the ground. It was noted that some organisations do collaborate under the radar with people they trust. It was stressed that the environment that everyone is working within often makes everyone compete rather than collaborate, but that it does happen within neighbourhoods.

The role of anchor organisations such as housing associations was suggested to support this kind of brokerage and they may have resources, but it can't be expected that all do. The question

remains of who funds, and who or what has spare money. Does there need to be a funding stream of some kind to support his kind of brokerage and collaboration.

It was pointed out that sometimes you just have to ask, for example, large businesses for resources such as hosting an away day.

An example was also given about the role of consortia in for example construction, particularly where there is temporary churn of work. Like-minded organisations can work together if they all put some money into a central pot to respond to shared needs such as childcare.

Manchester City Council as a local authority said that it might be able to help with HR support for example through annual employee volunteering days. Another idea might be asking firms who do large contracts whether they could help write good job descriptions through social value offers. In other words, the idea was raised about using social value criteria more prescriptively, and in effect broker solutions to help VCSE. Another example is that of providing a website where people can share information, for example, on good employment methods and initiatives.

Other ideas that participants thought could be initiated:

- Consideration of a tailored support/management framework for the third sector.
- How to tailor social value offers in MCC where suppliers have offered to work with VCSE, and how to develop more information and brokerage so that organisations can know about for example spare places on training courses, or how to create productive and healthy workspaces. There was a need for some kind of analysis about what could be offered, and how to make it visible.
- Lobbying funders, for example, the Lottery about the length of contracts and the impacts on job security.
- Providing feedback in project evaluations about the impacts of the activity, not just on beneficiaries, but also on staff, in terms of gains as well as potential skill loss, if people have to leave.
- An infrastructure body considered thinking about what they could do around HR support and collaboration, as well as working to take forward the discussion on unionisation/collective voice for the VCSE.
- There was a suggestion by GMCVO to review previous work on supporting talent and enabling more collaboration, from a Learning and Skills Council project over 10 years ago which may well still be relevant.