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IN GREATER MANCHESTER

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**WORK AND
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Websites:

Just Work

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PREFACE

This is the second in a series of reports for the Just Work in Greater Manchester project. The first Just Work report titled [‘Against Inequality and Precarious Work’](#) underlined the dynamic and vibrant nature of Greater Manchester as a city region, and the regeneration of both public realm and retail spaces underpinned by the restructuring of the economy over the last 30 years or so.

A key finding of the first Just Work report was that the vision for a ‘high skill high wage’ labour market has not fully yet come to fruition, and drawing on further interviews with stakeholders, this second report focuses on the complex networks of organisations that make up the Greater Manchester labour market, and the multiple ways in which notions of Just Work are being reshaped in a context of fragmentation and regulatory change. It also looks for opportunities to develop platforms for the negotiation and coordination of decent working conditions, and the residual scope for institutions within Greater Manchester to act as ‘anchors’ or ‘lighthouses’ for issues of fairness and dignity in the workplace. This may be through direct mechanisms such as the employment and procurement practices of organisations such as local councils, universities and big private sector employers, but also indirect mechanisms such as the development and dissemination of ‘good practice’ to the wider business community.

In order to highlight the peculiarities of the UK system of governance, and to situate the issues in Greater Manchester in a wider context of regional (de and re) regulation, this report draws on comparative perspectives from selected European countries where tripartite regional governance and collaboration has been historically strong. This literature demonstrates how regional structures have been harnessed to deliver positive outcomes for workers, and highlights what might need to happen in Greater Manchester in order to build similar progressive alliances. This wider framing of the debate around work on a regional level is particularly important at a time of state ‘rescaling’ in the UK, and the continued withdrawal of employers from formal mechanisms of joint regulation. The second report provides a clear analytical backdrop for the Just Work case studies, while also making a number of discrete recommendations that can be taken forward for further discussion through various policy making and practitioner networks.

THE CONTEXT OF REGULATION IN GREATER MANCHESTER

Finding platforms and anchors for the development of justice and fairness at work in a context of fragmentation and change



INTRODUCTION

The starting point for this second report is to try and capture the complexity and diversity of an economy in transition. The replacement of jobs in manufacturing (in particular textiles and engineering) with finance and service sector jobs is an important feature of the Greater Manchester labour market 'story', and underpins a large part of the regeneration efforts around Manchester city centre but the positive spillover effects from these projects to more deprived and isolated communities across Greater Manchester remain somewhat limited. The burgeoning creative, digital and media sectors in Greater Manchester, focused around MediaCity at Salford Quays, offer great potential for both the relocation and creation of skilled and high value-added jobs and the attraction of key anchor institutions such as the BBC and ITV indicates a gradual rebalancing of power and resources away from London. However, freelancers and those in peripheral self-employment in the gig economy are likely to have a different experience of this apparent economic upgrading. Even though training routes are notionally strengthened by the expansion of apprenticeships in growth sectors such as new media and entertainment, there remain questions about the accessibility of high end jobs to those from less affluent areas without the social capital or household resources to subsidise unpaid internships or irregular working hours.

Secondary data and interviews with key stakeholders reinforce this notion of polarisation and fragmentation within the Greater Manchester labour market, with a persistent gap between the prospects and material conditions of work experienced by different communities, sectors and workforce groups. At a fundamental level, alongside issues of high structural unemployment and low wages in some parts of the city region, there remains the significant challenge of upholding the core principles of fairness, justice and dignity in the workplace in a context of public and voluntary sector retrenchment and economic turbulence. These challenges are recognised in policy debates emerging around notions of inclusive growth, the efforts to ensure a fair distribution of the benefits associated with economic regeneration, and to promote job quality alongside job creation.

The Northern Powerhouse and devolution agendas potentially consolidate the emerging policy and governance frameworks on a regional footing, assuming territorial battles between political actors over funding and decision making do not distract from the need to work more closely together towards a shared outcome. This underlines the problem of establishing suitable governance mechanisms for the burgeoning economic and political system. Although the trade unions have a role to play in shaping this agenda, the scope to discuss and collaborate with larger private sector organisations remains a significant challenge in terms of coordinating standards. Part of the problem is that conventional solutions to economic regeneration rely on simple agglomeration economics which assume that growth in cities will achieve more efficient markets with only a limited role for ‘regulation’. The pressures of austerity and the ‘shrinking state’ pose challenges for the regulation of work, particularly where industrial and labour market institutions are weak. Paradoxically, in the vacuum created by declining systems of joint regulation of pay and conditions between employers and unions, individual local authorities and the Greater Manchester Combined Authority are *de facto* taking a lead role in setting higher labour standards and promoting notions of decent work.

The emergence of well-coordinated and powerful campaigning activities at regional and local level around discrete labour standards such as the (voluntary) UK Living Wage and ending zero hours contracts also provides a new dynamic to ‘soft’ regulation. In turn these campaigns can develop into ‘hard’ regulation through their incorporation into local government procurement processes, further consolidating the position of local councils as anchors for decent working conditions across the wider labour market. The challenge here is to sustain, scale up and broaden specific campaigns and projects which seek to embed just work in Greater Manchester. This report will consider the specific regulatory and policy making challenges around just work in Greater Manchester, and through a critical reflection on both the interim secondary and primary data gathered so far, will make a number of policy recommendations designed to help create a greater debate on questions of working conditions and how organisations should coordinate and upgrade labour standards.

The key findings of this report reveal a mixed picture in respect of regulation. On the one hand there is a greater desire for dialogue and coordination. Various high profile public and educational bodies are trying to position themselves as a reference point within the broad array of social and economic actors that aim to regenerate the economy locally. In addition, there is a growing culture of collaboration and networking across various bodies in an attempt to understand the challenges and find solutions in terms of skills development and wage policy. However, the report shows that the impact of various factors may be undermining these initiatives.

First, the extent of employer fragmentation and the structural limitations on employer and management organisations means that co-ordinating various strategies is difficult as well raising awareness of the needs and challenges of the local economy. **Second**, trade unions and social organisations have been held back to a great extent by the negative regulatory environment and the curtailing of their organisational resources. They have been pushed back at a time when they are attempting to address and raise a range of issues and develop joint projects around social inclusion and worker development. **Third**, there is the fact that the local councils remain the main space around – and within – which regeneration can be coordinated and a new dialogue developed around questions of economic development and justice and fairness at work. However, the financial pressures on councils and their complex internal structures means that as the ‘last organisation standing’ they are compromised in terms of what they are able to achieve as the hub and centre of a range of initiatives. In this respect, there is a real challenge to the innovative ‘blue-skies’ thinking around the local economy due to greater fragmentation in economic and policy terms. The pieces of a new economic and political logic of collaboration are in place at the local level but this requires a much greater level of national commitment not just in terms of social rights but also in terms of developing the political and organisational capacity of local actors.

THE DEBATE ON REGIONS, LOCAL SPACE AND THE CHANGING NATURE OF WORK AND ITS REGULATION

The city region of Greater Manchester is well placed to take advantage of the political and economic rebalancing of the UK over the next 20 years. The creation of a directly elected Mayor for Greater Manchester in May 2017 was an explicit condition attached to the devolution of budgets and decision making powers to the city region level, which alongside efforts to improve connectivity and infrastructure across the north of England promises to consolidate earlier waves of economic regeneration in the area.

The newly elected Mayor for Greater Manchester, Labour party politician Andy Burnham, has set out a number of aspirations to restore the fortunes of the city region while also introducing progressive employment and social policies. For example, the Mayor has called for a strengthening of rail infrastructure across the north by partnering with newly elected Labour party Mayor of Liverpool City Region Steven Rotherham to put pressure on central government to prioritise 'Crossrail for the north' ahead of Crossrail 2 in London.¹ The Mayor has also appointed a green city region lead to lead on environmental issues²



and has set out a vision for Greater Manchester to become the UK's leading hub for the digital economy.³ In respect of work and employment issues the Mayor has championed the living wage campaign in Greater Manchester,⁴ and has promised a 'new deal' for apprentices with higher quality training and an increase in apprenticeship wage rates.⁵ Although these aspirations are important to set the scene in terms of the Mayor's agenda, it is too early to say which of these will translate into concrete projects or policies, and what binding commitments the Mayor can and will make to raising employment quality across the city region. It is also important to situate these (albeit important) 'pet projects' against a context of changing regional governance structures in the UK, and deeper structural imbalances in the economy.

The rhetorical commitment of central government to 'localism' places cities and regions at the centre of policy debates about economic growth driven by better transport, infrastructure, and communication networks, with a greater emphasis on decentralised political accountability. However there is a contradiction between these 'place-based' approaches which seek to capitalise on embedded local strengths and pre-existing mechanisms of governance, and 'space neutral' policies which see accelerated deregulation as a means to grow the private sector (in all parts of the country).⁶ The main problem is that political governance in the UK remains highly centralised, and none of the moves towards localism within regions or cities fundamentally challenges the position of London as the UK's only global city (which continues to receive the lion's share of infrastructure spending), and improved transport links to the north arguably mean greater connectivity to London rather than the other way around.⁷ Furthermore, the focus on economic growth and infrastructure arguably neglects the issue of work which increasingly falls to individual local

1 <http://www.railtechnologymagazine.com/Rail-News/metro-mayors-call-on-government-to-prioritise-hs3-over-crossrail-2-plans?dorewrite=false/Page-476>

2 https://www.greatermanchester-ca.gov.uk/news/article/138/greater_manchester_mayor_appoints_green_city_region_lead

3 https://www.greatermanchester-ca.gov.uk/news/article/141/mayor_outlines_ambitions_to_make_greater_manchester_the_uk_s_leading_digital_city

4 <https://www.rochdaleonline.co.uk/news-features/2/news-headlines/109763/andy-burnham-launches-drive-to-make-greater-manchester-a-living-wage-region-as-new-figures-show-one-in-four-workers-dont-earn-enough-to-live-on>

5 https://www.greatermanchester-ca.gov.uk/news/article/140/mayor_announces_new_deal_for_apprentices

6 Hildreth, P. & Bailey, D. (2013). The economics behind the move to 'localism' in England. *Cambridge Journal of Regions, Economy and Society*, 6(2), 233–249.

7 Hildreth, P. & Bailey, D. (2013). The economics behind the move to 'localism' in England. *Cambridge Journal of Regions, Economy and Society*, 6(2), 233–249.

authorities through skills and training strategies, or relies on individual employers voluntarily buying into the business case for better working conditions such as the ‘good jobs strategy’.⁸

From a local regeneration perspective the challenge here is not to repeat the mistakes of the past. Earlier efforts to regenerate in Greater Manchester were both ambitious and holistic but this in turn meant that work was just one of a range of priorities alongside housing, crime reduction, health and transport.⁹ The role of just work in shaping the economic fortunes of communities was often an implicit rather than explicit goal, and furthermore the system of top-down policy making and centralised performance management attached to many regeneration initiatives of the New Labour years (1997-2010) left employers largely out of the debate. The redevelopment of neighbourhoods and enterprise zones within Greater Manchester such as the Salford Quays/MediaCity development, and Airport City points to the positive localised effects of collaboration between public and private sector organisations as a means of tackling deprivation and boosting regeneration. The key is to replicate and broaden such initiatives to more parts of the Greater Manchester area, and crucially to provide a positive legacy of cultural, tourism and retail projects in terms of decent minimum standards at work and opportunities for workers to progress.



The demise of Regional Development Agencies (RDAs) in 2012 left a significant gap in regional policy making, and also the lobbying power of both public and private sector organisations outside of London.¹⁰ The decision to remove these agencies meant that at the regional level there was no real articulating or coordinating mechanism in terms of industrial or enterprise policy (including aspects of social inclusion networking and representation). The agencies had played an important role in creating links and discussions – and campaigns – at the regional level but they were removed as part of cost-saving initiatives in 2010. The creation of 39 Local Enterprise Partnerships (LEPs) in 2010 was supposed to provide a coordinated space for local institutions such as councils, enterprise and business organisations, and job centres to develop strategies in partnership for economic growth and skills yet these have not as yet had the kind of impact seen with RDAs. The lack of additional funds and clearly articulated decision making powers for the LEPs threatened to fundamentally undermine the efforts to reposition local institutions at the centre of policy making, but paradoxically meant that the newly formed bodies “...had to experiment, innovate and improvise...”¹¹

It is perhaps this combination of increasingly loosely defined regulatory projects and local ‘agency’ which creates the scope for collaborative efforts between different actors and institutions to emerge. One could argue that one of the challenges emerging from the context outlined above is the creation of a regulatory and policy vacuum on matters related to work and employment, specifically in relation to dignity and justice in the workplace, or broader debates on the type and quality of employment being created in the UK labour market since the recession. This provides a serious challenge due to the fact that the debates on economic growth and innovation assume a strong regional dimension and set of public and private organisations creating supportive labour markets and sustainable resources: the creation of new state spaces in terms of the regional dimension and economy is a hallmark of many studies on the subject.¹² It is a view that extends to a range of political economy and labour market

8 Ton, Z. (2014). *The good jobs strategy: How the smartest companies invest in employees to lower costs and boost profits*. Houghton Mifflin Harcourt.

9 Blakeley, G. & Evans, B. (2013). *The regeneration of East Manchester: A political analysis*. Oxford University Press.

10 Almond, P., Ferner, A. and Tregaskis O (2012) ‘The changing context of regional governance of FDI in England’ *European Urban and Regional Studies* 22(1): 61–76

11 Pike, A., Marlow, D., McCarthy, A., O’Brien, P. & Tomaney, J. (2015). Local institutions and local economic development: the Local Enterprise Partnerships in England, 2010–. *Cambridge Journal of Regions, Economy and Society*, 8 (2): 185–204

studies in the 1980s around the Third Italy debate and the Greater London policy developments based on alternative approaches to economies and alternate forms of regeneration. Studies of the German economic system also emphasise that its success is due not solely to the structure of capital and the positive productivity impact of the systems of industrial relations and industrial democracy, but also the regional system of governance especially around training which manages to fine tune and enhance local skills and permit the regeneration of the workforce in strategic terms.¹³ In this respect, we can see the role of regulatory space as being important.¹⁴

There are many actors who engage with questions of regulation and the emergence of regional public bodies and local democratic structures are an important feature of the way key questions such training and labour standards have been developed and improved. For some this represents a new governance – a new networked based approach to decision making and policy implementation – which has alliances and cross-organisational working at its heart.¹⁵ This should be underpinned by a new local logic of decision making with a new role for citizens through participative evaluation and new forms of deliberation¹⁶ and in some cases within Greater Manchester this has been visible to some extent. Central to such developments is the enhanced role of social organisations and a range of economic actors. However, in the case of the United Kingdom – and England especially – these structures have been the subject of great political uncertainty and uneven development, which has major repercussions for systems of employment relations and worker voice

Although devolution to city regions promises to restore some autonomy in the hands of local politicians, weak underlying mechanisms of worker voice and representation (outside of the public sector), and the difficulty in matching skills supply and demand is likely to test the limits of these newly formed structures. The historical underinvestment of UK employers in training and the careful design of career paths, combined with the fragmentation of responsibility for processes of skill formation and development across various state, quasi-state and private sector institutions, along with employers and trade unions presents a significant challenge in terms of growing the skills base, and enabling further economic upgrading.

The experience of Regional Development Agencies in France shows that there is still a place for coordinated and non-partisan collaboration in strengthening working conditions and balancing issues of skill supply and demand even in historically low wage sectors, and in the face of challenging financial conditions (Box 1).

Box 1. Regional Development Agencies and working conditions in Southern France¹⁷

Regional development agencies in France have significant powers to steer labour relations within certain sectors within a geographically defined area, as well as providing an effective means of formal engagement between employers and unions over issues of training and development, organisational restructuring, along with basic issues of wages and working time. For example the regional economic development agency in Provence Alpes Côte d'Azur in France brought

12 Brenner, N (2004) 'Urban governance and the production of new state spaces in Western Europe, 1960–2000' *Review of Political Economy* 11(3): 477–488

13 Gibbons-Wood, D. & Lange, T. (2000). Developing core skills—lessons from Germany and Sweden. *Education+ Training*, 42(1): 24–32.

14 Hancher, L. & Moran, M. (1989) 'Organising Regulatory Space' in L. Hancher & M. Moran (eds.) *Capitalism, Culture and Economic Regulation*. Oxford: Oxford University Press - For an overview of the concept see: MacKenzie, R. & Martinez Lucio, M. (2005). The realities of regulatory change: beyond the fetish of deregulation. *Sociology*, 39(3), 499–517.

15 Kooiman, J (2003) *Governing as Governance*. London: Sage

16 Newman, J. (2005) 'Participative governance and the remaking of the public sphere' in Newman, J. (ed.) *Remarking Governance*. Bristol: Policy Press

17 Kornig, C., Louit-Martinod, N., Méhaut, P. (with V. Insarauto) (2016) Reducing Precarious Work in Europe through Social Dialogue: the Case of France, Report for the European Commission, Institute of Labour Economics and Industrial Sociology, CNRS, Aix Marseille University, <http://www.research.mbs.ac.uk/ewerc/Our-research/Current-projects/Reducing-Precarious-Work-in-Europe-through-Social>.

together a range of public agencies, training providers, employer and unions to strengthen career paths for care workers (who were mostly women in low paying roles), to reduce the incidence of involuntary part time working, and also to help care providers adjust to the recession without laying off staff. On one level the success of this initiative hinged on the formal relationships between government, employers and unions through the regional system of training and development (which all organisations in the sector contribute to financially), but at the same time in the view of local actors, the creation of a regional level forum to openly discuss issues of business sustainability and organisational redesign allowed parties to discuss and resolve shared issues while avoiding the ‘national posturing’ of trade union and employers’ association leaders who would invariably get bogged down in disputes over pay and conditions.

DEVOLUTION: A DOUBLE-EDGED SWORD

The 2017 Mayoral election and the devolution of powers and budgets from Whitehall were seen by stakeholders to bring both potential opportunities and challenges to the GM region. On the one hand taking control of spending and political priorities was generally viewed positively as a means of coordinating public services (as happens in London), and the election of a Labour party mayor was seen by the trade unions and voluntary sector organisations as an opportunity to contribute to a progressive agenda around poverty and inequality. Representatives for the Salford Unemployed and Community Resource Centre and the North West Trade Union Congress (NWTUC) commented that political devolution created the opportunity for GM-level discussions between government, employers and trade unions in devising local industrial strategies, for example how to attract new employers into Greater Manchester and where to locate them (potentially in areas of deprivation) in order to create and shape ‘good’ employment opportunities for those who need it most. In addition, a representative for the GM Growth Hub argued that political devolution represents an opportunity to devise new measures of success, for example pointing out that bringing high ‘valued added’ activities into the area might ‘not help somebody who lives in Oldham or Rochdale or Tameside [who] will never get those jobs’.



However, the transfer of financial controls to the city region level does not necessarily mean that the level of funding will increase significantly, and concerns were expressed by a number of interviewees about the ability of local politicians to improve living and working conditions at a time of severe public sector cutbacks which meant that central government was effectively ‘devolving austerity’ to local politicians. For example, Manchester local authority saw a reduction in spending power per citizen of £320 between 2010 and 2015 compared with an England average of £110 so any devolution of funding will only be partial compensation for heavy cuts to local authority budgets under successive Conservative led governments.¹⁸ This in turn places constraints on the scope and depth of negotiations even with progressive public sector employers:

“...all of this is happening in a context of recession...with retrenchment on jobs and pensions.... so there is concession bargaining going on all over the place...” [UNISON 1]

¹⁸ <https://www.theguardian.com/society/patrick-butler-cuts-blog/2015/jan/14/council-cuts-burden-falls-again-on-north-and-inner-cities>

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A representative for CIPD Manchester commented on the unfair distribution of funding between the North and London which would restrict what a devolved GM government could do to improve productivity in the region:

We need to push for investment from the government instead of spending £500m on Bank station [in central London]...they were spending £43m on the railway in Liverpool outside Lime Street but that's a drop in the ocean, that wasn't one station but the connectivity between Chester, Widnes and so on. (CIPD Manchester representative)

In this context the newly elected mayor would not necessarily have the powers (or the appetite) to compel businesses to improve employment standards through mechanisms such as living wage clauses, or a commitment to ending zero hours contracts through public procurement. The blurring of the lines between health and social care budgets meant that both budget setting and decision making could potentially become even more 'politicised' as leaders from local government and clinical commissioning groups battled over resources. Furthermore, there were long standing problems of low paid and precarious work as a result of the overall squeeze on local government finances and contracting practices:

The problem of bank [agency] workers moving around on these very short term time scales, 15 mins, is horrendous. And we sat and debated and the more you get into that conversation, can you influence change at this micro level? No. this is a Westminster issue I'm sorry. (GM Chamber of Commerce representative)

A representative for the EHRC offered a more promising note, and suggested that colleagues in the Scottish branch of the Commission felt they had more influence over parliament and therefore suggested that local stakeholders (government bodies, universities, trade unions and employers) may have more of an influence over local policy making than without devolution:

I think the opportunities to influence the Scottish government are much greater than the opportunities to influence the Westminster government. Certainly that's what our colleagues in Glasgow find, the EHRC, it's sort of a smaller policy community, and Scottish government is quite receptive to new ideas in a way that's not the case in Westminster. But certainly the size of the community makes a difference that it's much easier – our Scottish colleagues are quite open about it, that it's much easier for them to get a meeting with a minister that wouldn't be for our London colleagues or in Manchester with the equivalent in Westminster. (EHRC representative)

THE ROLE AND CHALLENGES FACING KEY INSTITUTIONS IN THE ESTABLISHMENT OF JUSTICE AND FAIRNESS AT WORK

This section looks at the role of key institutions in Greater Manchester including what they are doing to promote just work (identification of specific projects and which groups they are targeting) as well as the links between the different actors. The aim is to highlight the key role of the GM Combined Authority and its ten local authorities but with a particular focus on Manchester City Council which is involved in many key projects across the region. This section will also focus on the role of other regulatory actors such as ACAS, Citizens Advice, EHRC and the HSE who face challenges in coordinating activities across the region, and who all are attempting in the context of limited resources and declining trade union power to create a climate of awareness and support regarding labour standards and fairness at work issues. A major limitation identified will be the lack of broader coordination between these actors, i.e. whilst we identify links on specific projects there is an absence of a broader forum bringing these actors together in a coordinated way in our region. It will also be important to point out the lack of coordinated forums for employers, beyond the remit of the GM Chamber of Commerce.

The fall of the traditional social and organisational actors

The restructuring of the economy and the labour market in Greater Manchester creates a number of challenges for the effective regulation of employment. At a basic level, the lack of traditional forms of joint regulation between employers and unions means few opportunities to ensure that the benefits of economic growth are shared widely, but the relatively weak system of labour market regulation poses challenges for the coordinated upgrading of standards.

At 26% trade union membership density in Greater Manchester is slightly higher than the UK average (24.7%) and slightly lower than the North West average (27.9%). However we know from national data that membership density across the UK is highly segmented by workplace size and sector, with larger employers in areas such as former public utilities (e.g. energy, water and waste management) and health, education and local government much more organised than smaller private sector firms, particularly in the service sector. All of the unions interviewed (UNISON, Unite, GMB) were clear that organising workers remained a critical activity from both the perspective of the financial sustainability of individual unions as well as building a wider platform for collective action within the region. However the lack of large fixed premises workplaces in many parts of the economy meant that organising strategies were becoming more diverse and sophisticated, using elements of traditional workplace recruitment, public campaigning, and legal challenge to demonstrate the importance of coordinated action.

For example UNISON has recently employed 28 full time organisers across the North West region to organise private sector care workers, and leveraged the 'Ethical Care Charter' within local government (which sets employment conditions such as the living wage and guaranteed hours contracts as part of external commissioning) to make connections with local providers. GMB have actively recruited within school academies to build membership in areas which now formally lie beyond the scope of the sector level collective bargaining machinery in local government (although many academies will follow the pay awards set down in collective agreements). Furthermore, GMB had actively organised workers in the 'gig economy' most notably Uber taxi drivers in London where they took two test cases to the Central London Employment Tribunal in 2016 which ruled that drivers are not self-employed and are entitled to receive holiday pay, a guaranteed minimum wage and an entitlement to breaks. This model was being replicated with other industries and firms in Greater Manchester which currently utilise 'self employed' delivery drivers through electronic platforms. Reflecting the challenges of organising a fragmented workforce, the TUC representative outlined a twin track approach which involved traditional workplace bargaining and more creative means of organising and campaigning around specific issues and using social media to raise awareness of trade unions and the power of collective action:

"A big chunk of the agenda is very defensive....protecting previously won terms and conditions....but a big chunk also has to be proactive....because in the area of new jobs we haven't got the underpinning collective bargaining agreements which used to have in engineering and manufacturing...."

In this context, employment standards are increasingly reliant on the perceived legitimacy and bite of statutory protections, and/or the voluntary adherence with higher standards by progressive or enlightened employers. The issue is that campaigns around specific issues such as living wages tend to be highly localised, and rely on the ongoing commitment of individual employers to employment standards as part of a Corporate Social Responsibility (CSR) agenda. The Greater Manchester living wage campaign has been successful in encouraging and supporting 100 individual employers to gain accreditation with the Living Wage Foundation in the five years that it has been running, and draws together a wide range of partners to discuss good practice, opportunities and challenges arising from the campaign, and possible means of leverage to press big employers to follow the lead of others in the area. The GM Chamber of Commerce is a prominent advocate for the living wage, but largely see this as an issue for soft regulation through negotiation with local business rather than a statutory 'rule' or a mandatory condition attached to public sector contracts:

91% of [our] members voted in favour of supporting the Chamber in backing the living wage campaign. Our position is on the basis that the push for increased adoption of living wage policies is achieved through progression rather than regulation, and we aim to communicate that it is a good business decision thanks to the benefits it can ultimately provide in terms of issues such as productivity and retention of staff. We aim to make business enthusiastic about this opportunity, and we are in no way arguing for statutory policy change. [GM Chamber 2016 report 'The Living Wage: Stating the Case'].

One of the trade union stakeholders interviewed argued that relying on the generosity of employers was both risky (in that there are no binding obligations) and more importantly that it was a distraction from the broader efforts to rebuild collective bargaining structures, and leveraging the election of a city region mayor to embed the principles of decent work:

"...it shouldn't be down to them [private sector employers] and if you ask them to do it voluntarily they won't do it or they will cut every corner...it needs to be part of something bigger...so we've asked the Mayor to sign a memorandum of understanding so he will tell us what he's doing and we will tell him what he needs to do so....we've got to remind the Mayor when he goes to those meetings with big business he's got to come back to the steering group with the trade unions so we know the impact on our members going forward..."

There are important lessons that can be learned from the devolved administrations in Wales and Scotland in respect of the regional regulation of working conditions. For example the structure of devolved government provides a coordinating and supportive framework for the presence of a greater social dialogue between the workforce and management of bodies such as the NHS.¹⁹ Furthermore, the Scottish Parliament has power over the management and operation of employment tribunals, and is looking to abolish tribunal fees as a way of ensuring all workers have 'access to justice'²⁰ in contrast with England where the introduction of tribunal fees triggered a drop in the number of claims by as much as 73%.²¹ In addition, the Scottish government aims to leverage their devolved powers to introduce gender quotas, as a way of ensuring gender equality on boards of public sector bodies.²²

The integration of health and social care services at the city region level creates an opportunity for the unions to strengthen representative structures across Greater Manchester, while also attempting to temper the pressures for outsourcing, and securing greater coordination of pay and working conditions within public services.²³ It will also be critical to explore ways in which emerging forms of soft regulation such as voluntary living wages can develop into binding labour standards through the coordinated design and regulation of public procurement (Box 2).

Box 2. The success and challenge of the living wage: embedding and enforcing 'soft' regulation

In a UK context where labour markets are relatively deregulated and collective bargaining coverage is low by European standards, the living wage is arguably one of the few success stories for organised labour in recent years. Local living wage campaigns are characterised by dynamic coalitions of workers, charitable and faith groups, unions, and community activists, putting pressure on employers to 'do the right thing' by adopting a voluntary wage standard for low paid employees which is typically 20% higher than the statutory national minimum wage.²⁴ At

19 Bacon, N. & Samuel, P. (2009). Partnership agreement adoption and survival in the British private and public sectors. *Work, Employment and Society*, 23(2), 231–248.

20 <http://www2.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2015/09/09/abolition-of-employment-tribunal-fees-in-scotland-a-priority.aspx#>

21 <https://www.tuc.org.uk/equality-issues/industrial-issues/discrimination-work-allowed-%E2%80%9Cflourish-unchecked%E2%80%9D-employment>

22 http://webarchive.nationalarchives.gov.uk/20151202171017/http://www.smith-commission.scot/wp-content/uploads/2014/11/The_Smith_Commission_Report-1.pdf

23 <https://www.tuc.org.uk/manchesterdevolution9nov>

24 Lopes, A. & Hall, T. (2015). Organising migrant workers: the living wage campaign at the University of East London. *Industrial Relations Journal*, 46(3), 208–221.

the same time, local authorities are increasingly turning to living wages for their directly employed staff,²⁵ and a number have gone further by including living wage clauses in external contracts with private sector firms which strengthens both the coverage of living wages, as well as making them ‘binding’ (as failure to pay staff a living wage theoretically will lead to the cancellation of the contract). Although the efforts of councils to raise wages in the local labour market should not be underestimated, there are lessons from the devolved administrations in Wales and Scotland about how to set (and enforce) higher wage standards across the labour market by establishing a political consensus in sub-national systems of governance, and a coordinated approach to the use of public procurement as a new form of market regulating mechanism for low paying sectors.

The Welsh and Scottish governments were established in 1998 and 1999 respectively, and have a range of responsibilities which include (but not limited to) employment issues. These devolved powers have allowed the Welsh and Scottish governments to develop a more progressive approach to public sector procurement. While EU Directives on public procurement prevent the Living Wage being made a mandatory requirement, both of these governments have become Living Wage accredited employers and encourage other public sector bodies to follow suit.²⁶ For example in Scotland, the Procurement Reform (Scotland) Act 2014 requires public bodies to make a statement of their general policy of a Living Wage to persons involved in delivering the contract.²⁷ In Wales, the Code of Practice for Ethical Employment covers a commitment to paying all staff a minimum of the Living Wage, as well as no zero hour contracts or false self-employment. All public sector organisations in Wales will be expected to sign up to the code, and encourage good employment standards for people involved in the delivery of Welsh public sector services.²⁸

Inspection and enforcement

A curious paradox has emerged in recent years whereby the UK state has become more interventionist in attempting to regulate the periphery of the labour market, while at the same time undermining the perceived legitimacy of these same labour market rules by cutting back resources for enforcement agencies and introducing new obstacles for workers in the pursuit of justice.²⁹ For example, the minimum wage is monitored and enforced by HMRC on behalf of the Department for Business Innovation and Skills, who (as of late 2015) can issue sanctions to employers of up to 200% of the missing wages plus a fine of up to £20,000 per worker. However at around 200 staff the enforcement unit within HMRC remains small, meaning that identifying non-compliance increasingly relies on whistleblowing from workers themselves using the minimum wage hotline, and the public naming and shaming of a small number of high profile firms such as the fashion retailer Warehouse and department store Debenhams has increasingly been used as a soft tactic to restore the ‘norms of compliance’³⁰ even though only a handful of the more than seven hundred firms identified since 2013 have been prosecuted.³¹

There are also a number of contradictions within government policy itself. For example new sentencing guidelines for breaches of workplace safety rules have led to an increase in large fines of over £1m,³² but these ‘stronger’ sanctions are somewhat at odds with the broadly de-regulationist stance of the

25 Prowse, P. & Fells, R. (2016). The Living Wage—policy and practice. *Industrial Relations Journal*, 47(2), 144–162.

26 <http://www.gov.scot/Topics/Business-Industry/Workingtogether/LivingWage>

27 http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_15-14_The_Living_Wage.pdf

28 <http://www.news.wales/national/government/code-of-practice-for-ethical-employment-launched-2017-03-30255.html>

29 Mustchin, S. and Martinez Lucio, M (2017) The changing nature of labour inspection, enforcement of employment rights and the role of the state in Britain: the external and internal spaces of change in the regulatory reach of the state. Paper presented to BUJRA Conference, University of Portsmouth, June 2017

30 <http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Comparative-Report-Reducing-Precarious-Work-v2.pdf>

31 <http://www.bbc.co.uk/news/business-38979368>

32 <https://www.healthandsafetyatwork.com/regulation/sentencing-guideline-one-year-on-iosh-osborne-clarke>

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Conservative party on bureaucracy and 'red-tape' since 2010. Similarly, the expanded remit of the Gangmasters and Labour Abuse Authority (GLAA) under a newly created Director of Labour Market Enforcement is designed to enforce the (generally well received) 2015 Modern Slavery Act, but the bundling up of new labour market regulation aimed at tackling trafficking with a crackdown on illegal immigration confuses the issue, and is likely to dissuade those in parts of the grey and black economy from challenging unscrupulous employers for fear of deportation.³³ Furthermore, the introduction of tribunal fees dis-incentivises individual workers from lodging and pursuing claims against employers for unfair or illegal behaviour, and creates a real risk that employers are emboldened to breach existing rules in the knowledge that the likelihood of being caught or sanctioned is low.³⁴

There has also been a major decline in the resources of quasi-regulatory agencies such as Arbitration and Conciliation Service (ACAS) and the EHRC both of which have a major symbolic presence in Manchester but have been exposed to major staff cuts. The impact on it in terms of creating a space for local dialogue on equality and human rights issues has been extensive. Even where employment regulations are set down in statute, the depletion of the resources and reach of such bodies such as the call into question the extent to which existing regulations are properly enforced.

The ACAS stakeholder we interviewed described how the North West region and Greater Manchester had retained a relatively strong trade union presence, which meant that collective disputes (as opposed to individual disputes) were a particular feature of the local employment relations landscape. However, this was offset by the expansion of small firms, micro firms and solo self-employed workers which tended not to be unionised and in many cases did not have a dedicated HRM function. This in turn had contributed to the spread of new forms of 'business consultancy HRM' bought in from specialist providers as and when it was needed, at the expense of more traditional participative HRM structures within organisations:

"...They [the small firms] tend to go to the likes of Peninsula [HR consultancy firm] if they have not got a permanent HR resource....but clearly that support to them is based on management risk in terms of employment tribunal cases....you might get off the shelf policies but they won't be talking to you about managing your people how you talk to them voice and engagement....if they haven't got that they will take it from wherever they can get it for free..."

ACAS maintains an employment relations 'network' where HR managers from across the region can discuss issues arising, and seek professional advice from ACAS on best practice (for a fee), although smaller firms also used a more informal online network to share ideas (hosted by ACAS). A particular concern for the ACAS stakeholder was that budget cuts would prevent the organisation from building on past successes in terms of bringing employers together and sharing best practice.

It appears that regional and sub-regional networks of HR managers, and the channels through which best practice is shared are becoming increasingly disparate and fragmented, with a greater reliance on online toolkits and information sharing. Furthermore, despite the relatively strong collective dimension to employment relations in Greater Manchester, the displacement of traditional mechanisms of joint regulation by business consultancy HRM potentially undermines true worker 'voice'.

Local authorities: the last one standing?

Government has a dual role to support capital accumulation and provide legitimation for the wider economic system through the provision of welfare funded by taxation,³⁵ and local government in the

33 Mustchin, S. and Martinez Lucio, M (2017) The changing nature of labour inspection, enforcement of employment rights and the role of the state in Britain: the external and internal spaces of change in the regulatory reach of the state. Paper presented to BUIRA Conference, University of Portsmouth, June 2017

34 <http://www.research.mbs.ac.uk/ewerc/Portals/0/Documents/Comparative-Report-Reducing-Precarious-Work-v2.pdf>

35 O'connor, J. (1973). The fiscal crisis of the state. Transaction Publishers.

UK has long had a role in correcting for the ‘negative externalities’ of the market through the provision of democratically responsive services such as housing, education, youth services and social care.³⁶ However, the gradual transfer of powers to central government and other government departments combined with the significant centralisation of funding during the 1980s and 90s arguably ‘hollowed out’ the regulatory scope of local authorities, and the forced outsourcing of services led to a shift from providing services to ‘enabling outcomes’ in the name of efficiency and customer choice.³⁷

As wider systems of social welfare have retreated over the last 30 years or so, paradoxically local government has assumed a greater burden of responsibility for regulating the market in various ways. A recent report by the Joseph Rowntree Foundation underlines the important role of local authorities as ‘anchor institutions’ to promote inclusive growth in local economies, achieved by modelling best practice through their employment policies (e.g. paying a living wage, offering flexible working patterns and good pensions) as well as sending signals to the market about the importance of good working conditions through their procurement and contracting policies which prioritise local suppliers who offer good pay and conditions.³⁸ This follows the US model of ‘Eds and Meds’ which influence the business and employment models of a wide range of organisations by using their position at the head of supply chains to model best practice.

In the UK, this growing ‘anchor’ role demonstrates that the role of local authorities as employers and market regulators has not been hollowed out completely, but the fact that there are so few other organisations capable of promoting and enforcing higher labour standards in local economies is reflective of the challenging context for organised labour in many parts of the UK. The decay of institutions such as collective bargaining, trade unions and employers associations leaves a significant ‘vacuum’ into which local authorities find themselves increasingly pulled, despite the constraints of significant fiscal consolidation policies since 2010. The role of local councils in Spain in developing social inclusion projects in the past 20 years are an important reference point as to how state structures locally can provide a mechanism for coordination and dialogue between stakeholders and communities (Box 3). In other counties it is at the local or city level where new forms of coalition politics and alliances are emerging. The USA which is a very difficult context for organised labour nevertheless has seen the emergence of a new set of coalition politics between trade unions and social groups through worker centres, living wage campaigns and new forms of activities around worker health and enforcement.³⁹

Box 3. Local inclusion and social policy in Spanish cities

Local councils in Spain whilst some are currently in a very precarious financial situation have nevertheless developed innovative local mechanisms through which to tackle issues of social inclusion, particularly in relation to the support needs of migrants and local communities.⁴⁰ The importance of creating dedicated structures on a range of social issues and providing various support services shows how even within a context where social change in relation to migration since the early 1990s has been extensive it is possible to create coordinating systems and to involve a wide range of bodies in social terms. Trade unions locally through their offices in the major cities were able to develop information centres for migrants as well – in part supported by public finances in some cases – with the aim of providing detailed advice on employment and social matters. The network of offices run by the

36 Painter, J. (1991). Regulation theory and local government 1. *Local Government Studies*, 17(6), 23–44.

37 Rhodes, R. A. (1994). The hollowing out of the state: The changing nature of the public service in Britain. *The Political Quarterly*, 65(2), 138–151.

38 Devins et al. (2017) Maximising the local impact of anchor institutions: a case study of Leeds City Region. Accessible at <https://www.jrf.org.uk/report/maximising-local-impact-anchor-institutions-case-study-leeds-city-region>

39 Turner, L. (2007) ‘An Urban Resurgence of Social Unionism’ in Turner, L. and Cornfield, D.B. (eds) *Labor in the New Urban Battleground* Ithaca. Cornell University Press

40 Aragon Medina, J., Alba Arteaga, L., Haidour, M. A. Martinez Poza, A. Rocha Sanchez, F. (2009) *Las Políticas Locales para la Integración de los Inmigrantes y la Participación de los Agentes Sociales*. Madrid: Catarata Bruquetas-Callejo et al., 2008.

main trade unions for this purpose – and normally based in their main local centres - were known to engage with a wide range of concerns. They also linked into the support services and activities of local authorities and regional governments. The centres varied according to the trade union confederation running them.

The manner in which local social and economic organisations can work through public bodies has been challenged by recent economic and political developments. However, the legacies of support are sustained in many areas. The lessons these initiatives teach us is that the regional and local bodies can be a major space for coordinating various aspects of social activities. These activities can be fine-tuned into the specific needs of migrants and the dialogue with the broader community that is required. In addition, local organisations such as trade unions can enter these spaces and through their own infrastructure provide much needed support and services to workers who are not organised within the standard frameworks of representation and rights. UNITE the union have developed a community representative programme where the local unemployed, the retired and disabled individuals amongst others people can be organised through a ‘community rep’ and provided support through their local offices: but this has not been supported to any great extent by the state and public funding. Whilst different to what a more formalised strategy achieved in terms of the more established Spanish case – in relation to individuals seen to or attended – such initiatives would achieve more if linked into the broader support structures and bodies of the local public authorities.

Engaging business and citizens through ‘charters’ and ‘deals’

As discussed in the first ‘Just Work’ report, the ten local authorities within Greater Manchester have a key role in shaping employment quality, both for their directly employed workers and those working in outsourced services. This is particularly relevant at a time of austerity and downsizing. For example

Wigan council has established ‘The Deal’ (figure 1) which is designed to be a reciprocal agreement between the council and local residents to ‘create a better borough’.⁴¹ This sees the council committing itself to keeping council tax low, creating opportunities for young people and growing the economy, and citizens in return are expected to recycle more, be healthy and active, and support local businesses. This is clearly an aspirational agenda for reform which attempts to engage with local citizens over the future direction of the council, but at the same time implies a degree of ‘conditionality’ in the regulation of local affairs such as the environment, social and community spaces, and economic development.



Figure 1. The Wigan Deal

The extent to which these mutual obligations can (and should) be formalised remains open to debate.

Salford city council has adopted an ‘employment standards charter’ for the borough which includes accreditation with the Living Wage Foundation (meaning that the council pays a living wage to directly

41 <https://www.wigan.gov.uk/council/the-deal/the-deal.aspx>

employed and contracted staff and is obliged to match the annual uplift announced in November each year), opposing the use of zero hours contracts, ending union blacklisting, along with a learning agreement, and a commitment to creating local job opportunities and apprenticeships. This was a flagship policy of the previous directly elected mayor in Salford (Labour politician Ian Stewart) and is a positive example of where local political leaders can adopt progressive employment practices 'in-house' while also attempting to regulate and positively influence the HR policies of local private sector firms. The direct regulatory role is achieved by adopting labour clauses in public procurement (such as the living wage and the use of guaranteed hours contracts) which any bidders for council contracts have to abide by both at the tender and contract delivery stages. The indirect influencing role is achieved by engaging business leaders in a debate about the social and business benefits of looking after their workforce, and encouraging businesses to formally sign up to the charter as a kite mark of quality and corporate social responsibility. Ian Stewart has since retired from local government, but his successor Mayor Paul Dennett has maintained the council's commitment to the charter.

Manchester City Council has also made similar efforts to protect and promote decent working conditions within the council at a time of austerity, although this is arguably less ambitious than Salford. For example Manchester City Council pays the living wage but is not yet accredited with the Living Wage Foundation, which according to one of our interviewees was a result of the perceived risk among senior managers and councillors of being tied to a policy which was beyond the council's control and not being able to afford to match the annual uplift. The shift in the internal regulation of work was as much driven by practical considerations such as the need to reduce staffing numbers and redeploy staff quickly, as it was driven by the aspirations of political leaders to develop a new employment agenda across the city.

Through its 'M People' programme, the council has downsized by around 4,500 workers since 2010 without any compulsory redundancies, and has reduced the number of temporary and fixed-term roles. The M People programme offers internal redeployment and retraining opportunities for those staff affected by restructuring, and seeks to grow skills from within. The council has also taken steps to promote local employment opportunities by ring-fencing all entry level jobs to Manchester residents, and has recently adopted 'labour clauses' in some external contracts (as seen in some European countries) which guarantee a proportion of local job opportunities and guarantee workers a living wage.

Although the process of influencing the employment practices of businesses in the local area is at an early stage, the council was keen to try and preserve the core principles of fairness and dignity which in turn was seen by one of the HR managers as one of the main positives of working in local government:

"...you spend an awful lot of time at work and we're really, really keen to make sure that people's experience is positive; we're very much focusing around health and wellbeing of our staff as well... we ask a lot of people but it can be very rewarding if you totally embrace the role..." [HR manager, Manchester City Council]

The problem is that the slowdown in external recruitment combined with changes in the type of jobs being created in the council leaves gaps in the range of opportunities for people to access employment, and narrows the scope to build a career. The council still operates a graduate trainee scheme which comprises of two years in a development role where trainees move between assignments in different departments (paid at grade 6 around £24,000 p.a.) before moving into a permanent post wherever there are vacancies in the council (contractually trainees have to stay with the council for at least two years after completing the trainee scheme).

However, the graduate trainees scheme is relatively small (an intake of less than ten per two year programme) which when set against the general trend within the council towards providing entry level jobs means that the council is potentially less able to create the high skill and high wage jobs that the area so badly needs. The commitment of the council to providing apprenticeships to workers of all ages (to support both career formation and retraining) is commendable, and the adoption of higher rates of pay for apprentices (£7.46 per hour compared with the national apprentice rate of £3.30 per

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hour for 16-18 year olds) is in line with the Greater Manchester Mayor's ambitions for a new deal for apprentices. The difficulty is that the shift in apprentice programmes from more manual roles in craft occupations (such as engineers, joiners, groundskeepers) and towards white collar areas such as business administration is not necessarily well matched with the career and progression routes on offer within local government (where austerity cutbacks have led to the removal of management layers and the significant restructuring of back office services). This poses a challenge for councils in creating sustainable and personally fulfilling career pathways for new entrants (whatever their age or occupational specialism).

This is where broader coordinated efforts are needed to develop skills and strengthen career pathways. In Greater Manchester, in addition to the specific policies of the ten individual local authorities which (to varying degrees) emphasise notions of just work, skills and development, there are a number of other key players that shape employment prospects and standards in the region through their policy making and commissioning roles. The Greater Manchester Combined Authority (GMCA) works across all ten authorities and has established good working relationships with the GM Chamber of Commerce and the Manchester Growth Company (which comprises the Work Company, the Skills Company, New Economy and the GM Growth Hub).

All these organisations are responsible for policy making around skills and employment, and engage in research and data collection in respect of the local economy and labour market. In addition the Skills Company provides apprenticeship programmes, and the Working Well programme within the GMCA supports the long term unemployed to return to work. In contrast, the GM Chamber of Commerce provides a largely advisory or advocacy role for the 'business community':

We wouldn't get involved because we aren't an organisation to dictate government structures. Businesses do what they do. We aren't a regulatory body at all...so on the regulatory issues such as self-employment we wouldn't advise. We signpost and refer... (GM Chamber of Commerce)

GMCA also oversees the GM Skills and Employment Programme (SEP) board which agrees Greater Manchester's priorities around skills and employment and includes representatives from a number of the local authorities, trade unions (NWTUC), key local employers (e.g. Siemens), further education colleges, as well as the GM Chamber of Commerce.

A representative for the Chamber felt satisfied with their role on this board and felt it gave them a good opportunity to shape local skills and employment policy:

We sit on the strategy groups for [GM Work and Skills Strategy], we are well voiced with New Economy and the Local Authority. You begin to feel the shifting change. We are excited and we are optimistic about what it means for skills and work. Personally I feel the change. (GM Chamber of Commerce)

The shared responsibility for issues such as skills across the 10 GM local authorities through the GMCA will remain even though a Mayor has been elected, and this geographical collaboration and 'identity' is a strong feature of Greater Manchester. The interim mayor for GMCA (former MP and Police and Crime Commissioner Tony Lloyd) formalised relationships with the trade unions locally over learning and skills and workforce engagement.

According to UNISON, skills and workforce engagement was an important step in terms of coordinating public sector standards. This led to the establishment of new formal mechanisms of consultation and negotiation across the 10 GM local authorities, but also helped to raise the profile of specific issues such as protecting terms and conditions, and strengthening public procurement:

"...what we sought to do early on was to get a recognition agreement with the combined authority and we have done so and it's called the Workforce Engagement Protocol and it's led to the creation of a Workforce Engagement Board which is the first in England..."

It will be important to monitor these ‘interim’ arrangements during the early stages of the new mayor’s term of office to ensure that both the commitment to decent working conditions, and the mechanisms of dialogue between unions and politicians are not diluted.

The Inclusive Growth Analysis Unit (IGAU) formed by the University of Manchester and the Joseph Rowntree Foundation works with a range of stakeholders across GM such as local authorities, trade unions and business associations to promote the idea of inclusive growth and to help develop research-based policy approaches. The IGAU has held a number of inclusive growth events including a Fair Growth conference and an event for ‘anchor institutions’, as well as producing policy briefing papers including one on employment standards charters which several local authorities within GM have recently implemented.⁴² These activities have helped raise the profile of inclusive growth locally (which aligns with the national Inclusive Growth Commission project led by the Royal Society for the encouragement of Arts, Manufactures and Commerce), as well as shaping specific activities within GM organisations such as the Growth Company’s adoption of ‘inclusive growth’ advice:

We are starting it at the business side of the business and then it will roll out to the rest of the group is a whole programme around inclusive growth so there will be training sessions for all the staff in terms of what we mean by inclusive growth, why it’s important, what it means to live in GM, which is 70% of the audience we are actually talking to as they actually live in GM. We are trying to make our advice a little more rounded. (GM Growth Hub)

There were also alliances forming between our local stakeholders and other regional organisations in the development of ‘good’ work. For example the GM Growth Hub were working with ‘The Landing’ at MediaCity (providing a ‘testing space’ for small digital companies) in order to grow and develop the digital and creative sector in Greater Manchester. The Manchester Growth Company partly funds this project along with Salford Council and European Structural Funds, but the idea is to provide a space and the resources for SMEs to support them in developing and growing. They are also working with (and partly funding) Creative England which is responsible for growing the digital and creative sector outside of London.

Bringing employers back in?

In the UK, employers’ associations are relatively weak and fragmented by European standards: there are around 1,600 trade or industry associations but just 45 are registered with the certification officer as employer’s associations;⁴³ and of these just three have a head office or a regional office in Greater Manchester (The Federation of Window Cleaners, the Showmen’s Guild, and the North West Regional Employers for local government). This means that aside from the consultative and lobbying role offered by business interest organisations such as the CBI and Chambers of Commerce, employers do not necessarily have strong or coordinated mechanisms through which to engage in forms of social dialogue either with unions and workers, or with regulatory bodies such as local councils, the GMCA, and ACAS. Within this set of organisations one needs to include sector skills councils which although primarily employer led, engage with broad skill related issues such as occupational standards, apprenticeships, reducing skills gaps and improving productivity. They are responsible for overseeing skills development across sectors such as construction, but often have a role at the regional and city level in articulating the skill demands of local employers.

Where underlying union recognition and collective bargaining agreements are not in place, it therefore increasingly falls to individual councils to try and engage local businesses in discussions about working conditions, or to workers themselves to initiate some form of dialogue at the company or

42 <http://hummedia.manchester.ac.uk/institutes/mui/igau/briefings/IGAU-Employment-Charter-Briefing.pdf>

43 <https://www.gov.uk/government/publications/annual-report-of-the-certification-officer-2015-2016>

plant level. Liverpool city region has arguably made more of its industrial legacy institutions in order to address labour standards and skills issues, while also providing channels of dialogue between employers, unions and public bodies (Box 4).

Box 4. The role of sectoral structures in addressing skills gaps in Liverpool city region

The Liverpool Combined Authority has the responsibility for economic regeneration across the city region, and (as in Greater Manchester) as of May 2017 there is a directly elected mayor. The combined authority of six boroughs includes Liverpool City council which already pays the living wage to its directly employed staff and is exploring ways in which to include it in external contracts.

Although Liverpool city region faces many of the same challenges of economic restructuring as Greater Manchester, and has undergone similar programmes of regeneration in parts of the city, one of the union representatives interviewed noted that in Liverpool both employers and workers are relatively well organised and coordinated along sectoral lines. For example industries such as transport and logistics (based around the docks) and culture and tourism (following on the 2008 European capital of culture programme) have discrete policy making structures and have a clear voice in negotiations with local government and other organisations. In contrast Greater Manchester has relatively weak and fragmented sectoral structures (with the exception of the public sector). This means that although stakeholders such as the GM Chamber of Commerce can be a strong advocate for local businesses, and act as channel of communication between organisations, the ability to negotiate with employers in a coordinated way through associations and industry bodies remains problematic. Furthermore, Liverpool City Council has 'Skills for Growth' agreements which capture the current and future skills needs of businesses across key sectors, and these are communicated to schools, colleges and learning providers to allow them to plan their provision more effectively. Therefore, whilst the inter-dependent nature of the ten local authorities can be seen as a potential opportunity for creating 'good work' in Greater Manchester, this structure may also present challenges in shaping the nature of employment beyond the public sector.

SUMMARY AND CONCLUSIONS

There are many challenges to establishing a debate and set of policy initiatives regarding the improvement of working conditions in what is a substantially changed context of work. This has been happening steadily over time since the 1980s and perhaps even earlier. However, we have noticed recently that the combination of various challenges have led to further fragmentation in terms of how people work and how public agencies respond to this.

- **A first challenge** is the continued decline of relatively 'stable' full-time employment. The emergence of new forms of precarious work in both skilled and unskilled labour markets – to use that dualism – has led to real changes in terms of the pay and working conditions of employees. The emergence of a more fractured service economy with a greater emphasis on self-employment, agency work and outsourcing has challenged the basic security of employment associated with traditional industries that were once the mainstay of the GM economy.
- **Secondly**, the growth of employment on the margins of the labour market, and the gradual outsourcing of firms' HR capacity to consultants and third party insurance firms potentially undermine issues of dignity and fairness in the workplace.

- **A third related problem** is that although the unions are still a significant presence in the city region, their ability to enforce worker rights in the workplace, and offer a voice regarding social issues is in decline. Furthermore, the sustaining and raising of labour standards increasingly depends on wider networks of social actors as opposed to residual collectivist systems of employment regulation.
- **The fourth challenge** is the way the local public sector and especially local authorities are faced with serious resource issues due to the current and economic and political climate. There seems to be a major pressure on what are considered to be some of the once safe spaces of good employment in the form of the public sector. It is also worrying because of the role large public sector employers – especially local authorities – play in the politics and debates of the local labour market and environment of work.

These factors combined underline the challenge facing actors and institutions within Greater Manchester in establishing and sustaining just work. There are clear issues around the effective regulation of working conditions which is increasingly fragmented across organisations, and relies on individual employers voluntarily 'doing the right thing'. Moreover, although there are positive signs that the devolution agenda and the election of a broadly progressive and pro-union Labour mayor for the city region has driven a number of new initiatives around good quality work, there is a way to go in fundamentally embedding the notion of Just Work in local systems of political and economic governance.

The presence of regional or national forums in various European national contexts may prove to be a relevant reference point for the current discussions of UK city region regulation. It is unusual within the United Kingdom at the national and local level to see structures or mechanisms which bring together the public authorities and the representatives of employers, workers and various social organisations with the aim of discussing local or national policy and having some type of input into the more formal decision making processes of the state. However in France and in cases such as Spain we do see various economic and social forums which in the case of the latter have helped provide some form of input into policy and are entrusted with doing research and drawing on the expertise of the various organisations and networks involved. These are not always directly influential and may vary in terms of their presence at different levels. However, they are significant for various reasons beyond providing policy views.



First of all they can actually help cement some type of network – even an informal network – which exchanges views and manages to identify developments and joint projects. The importance is to create a form of policy community that manages to create a dialogue about economic and employment related factors and to at least identify key issues and choices. One of the problems in the case of England in particular is not having clear and ongoing relations between social and economic actors that can exchange information and facilitate public dialogue. The second aspect is that such bodies may assist research especially at the national and regional levels where they are likely to have more resources than at the local council level. They can interface with national and regional research bodies and universities and create a portfolio of projects and insights into current employment and social trends.

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This report has shown that there are various projects underway across Greater Manchester which aim to strengthen employment standards. In the absence of collectively agreed pay and working conditions in many parts of the private sector, it increasingly falls to individual councils to take a lead role in improving the quality of work for directly employed staff, while also attempting to regulate and 'shape' working conditions in the wider labour market through the use of public procurement and

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encouraging employers to buy into a localised agenda of just work driven by new forms of innovative campaigning activity that harnesses social media. The examples from Wigan, Salford, and Manchester demonstrate the important role which local councils continue to play in standard setting, as well as opening up channels of communication with both the private sector and trade unions. Furthermore, the newly elected mayor for the Greater Manchester city region appears keen to establish progressive

employment and social policies which have the potential to cut across all ten local authorities in Greater Manchester, and build on the existing work of the Greater Manchester Combined Authority (GMCA) which has already taken significant steps to develop mechanisms of negotiation and consultation with the public sector unions, while also making a commitment to protecting terms and conditions and improving social procurement policies across the city region.



Although local councils are clearly very important anchor institutions for employment standards across the Greater Manchester area, they have *de facto* assumed this role as other institutions have fallen away due to austerity cutbacks, a lack of employer engagement and buy in, and the continued decline of traditional forms of labour market regulation through collective

bargaining with trade unions. A key challenge here is how to sustain and scale up these localised policies, and exploring options to raise employment standards across the area through both regulation and influence. The lack of coordinated and robust channels of dialogue with employers is a major concern, and the increasing reliance of private sector firms on either a residual 'in house' HR function, or a largely transactional form of corporate HR support from specialist third party organisations points to a further deterioration in collective mechanisms of 'voice' in the workplace. A key focus of the case studies in the Just Work project will be to explore examples of innovation and good practice in different sectors and firms across Greater Manchester, and to understand the scope for coordination and collaboration across different organisations.

RECOMMENDATIONS:

Towards shining a light and creating a sustainable dialogue on the reality of work in Greater Manchester

- **There needs to be a more systematic approach to establishing forums and forums for social dialogue as can be seen in various other countries within the European Union:** the failure to establish a systematic forum which includes key representatives of employers, trade unions and various social organisations has meant that there is a serious vacuum in the nature of social and economic dialogue in the region. ACAS in the North West have been very successful in creating forums and open meeting for work related professionals and this can be an example of how to develop such initiatives.
- **The region needs greater leadership and more strategic approaches to linking up with local research oriented bodies and research projects in the third sector and the university sector:** the failure to map and engage with the great breadth of learning means that there is much fragmentation and a lack of information exchange across actors. There is also much less joint working than there should be although on some projects the universities and the local public authorities have been able to generate information and materials of use to employers and workers, and this can be extended further.

- **The local public bodies such as Manchester or Salford city councils need to clearly identify internal organisational and bureaucratic structures which are tasked with the role of overseeing coordination in and between councils and other local social and economic bodies:** there is a greater need to highlight the (potentially) externally facing roles of various departments and individuals in terms of extending a more coherent research and policy agenda to local economic and social actors
- **There is a need for a greater outward reach within the HRM departments of the local council bodies who have the knowledge and experience of employment and work related issues.** These structures can play a facilitating role as the voice not just of large employers but as significant bodies of knowledge about local working conditions. Whilst current circumstances and resourcing issues draw these departments inwards there should be an attempt to link them further into the broader space of discussion and planning within the city region.
- **The need to review and support local groups and develop local infrastructure and hubs for information and advice to the workers of the regions should be engaged with as these support mechanisms also bring public bodies closer to the ongoing and emerging challenges of the new economy.** These support services are important for providing greater awareness of how local policies work and can be fine-tuned in relation to different communities of workers.
- **Greater attention needs to be paid to the challenges facing trade unions and various social organisations such as legal centres in terms of their ability to sustain services and support for workers.** They are also important mechanisms for the enforcement of worker rights and providing insight into some of the hard to reach areas of the labour market.
- **There needs to be a greater attention to social and employment campaigns which are linked to policy and coordination and events which include a range of organisations and actors.** Campaigns around the Living Wage have managed to raise awareness and these have brought the local city council structures to the frontline of these discussions but broader campaigns that involve other organisations and are linked to ongoing events and discussions such as conferences and open meetings can act as a catalyst for the framing of debates on justice and dignity at work.

JUST WORK

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IN GREATER MANCHESTER

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