

LGA Good Work Project

Helping councils and combined authorities to support good work in their local area

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Background

This research project was undertaken by IES on behalf of the Local Government Association (LGA). As the national representative body for local authorities in England, the LGA is keen to support its members to understand how local and combined authorities can create and promote the creation of good work.

The Good Work project aims to evidence the benefits of engaging with local employers to create good work and how this can help local communities thrive, integrating a review of evidence with case studies of councils across a diverse range of local areas. To do this, the project involved a literature review, focusing on definitions of good work, policy levers e.g. local good work charters, and outcomes for employers, workers and local communities. This was followed by a stakeholder roundtable with councils and wider organisations implementing place friendly initiatives to share insights from the evidence review and discuss good practice and key issues relating to delivering the Good Work agenda in their localities.

Local area case studies were produced featuring interviews with councils and employers across a range of different localities, to further explore the themes investigated in the review as well as local good practice, and practical application across a range of areas with different characteristics. Finally, drawing from all previous activities, we created a narrative that makes the case for councils and combined authorities to work with local businesses and employers to collectively achieve local outcomes.

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Case for action

Introduction

For many of us, much of the time, work is just a job. But good work can be so much more than this. Work that can provide decent pay and security; where we have control, a voice and good relationships; and that gives us the opportunity to use our skills and to develop new ones, is good for people, the economy, local communities and places. It can be supportive of good health and wellbeing, raise incomes and reduce poverty, support stronger economies and better business, and help build more inclusive communities.

As we recover from the COVID-19 pandemic, and with the opportunities and challenges of technological change, net zero, Brexit and flexible working already leading to lasting changes in our economy and society, arguably delivering on good work has never been more important. So these resources set out the case for good work and how local government can take this forward – and often already does.

What is 'good work'?

There are several frameworks which seek to define 'good work'. These commonly feature pay, working conditions, progression, work life balance and employee voice.

However there are no hard and fast rules about what constitutes 'good work', as this will often vary according to individual aspirations and needs, which can be very different and change over time. What constitutes 'good work' is also influenced by a range of social, cultural and economic factors. For example, just a few years ago working from home was not widespread, whereas now it has become part of the working pattern for millions of workers. Furthermore, while some criteria are measurable and minimum standards can be set (for example on pay), others can be more difficult to define and assess.

The reality is that 'good work' is not a destination, but a journey that employers can take through a constantly changing landscape.

What local benefits can 'good work' bring?

For local communities, the benefits of 'good work' will be obvious. Better work means higher levels of local employment, a stronger local economy and greater economic prosperity. Increasing levels of 'good work' also has the potential to greatly support improved health and wellbeing among a local population and reduce pressures on associated support services. However, it is also critically important to ensure that those who aren't in 'good work' – either because they are in jobs with poor conditions or aren't in

employment at all – are getting access to the skills and support to move into those jobs. By doing this we can also reduce inequalities and support greater social inclusion.

Within public policy debates, a lot is said about raising aspirations of people entering the workforce. However, far less is said about raising the aspirations of the businesses that employ them. Encouraging employers to work towards 'good work' goals can normalise better working conditions and catalyse change in what is viewed as acceptable. For example, there are now more than eight thousand private and sector employers signed up to the Living Wage Foundation's Real Living Wage campaign – with more than 2,500 signing up since the start of the pandemic. And many of the local charters that support 'good work' seek to normalise this further, by setting the Real Living Wage as a minimum level of pay.

Diversity and inclusion are key aspects of 'good work'. It should mean that opportunities are available for people from all backgrounds and with a range of needs, whether that is supporting people into work from socially disadvantaged backgrounds or ensuring that people with disabilities and long-term health conditions can access and retain meaningful work. Many initiatives also recognise the critical importance of providing a healthy and safe working environment and the 'duty of care' that employers hold towards their workers. 'Good work' should mean healthy and safe working environments and working practices that support mental wellbeing.

The pandemic, rises in the cost of living and the climate crisis are also influencing how 'good work' is perceived. Incorporating approaches that encourage employers to protect the environment and adapt to the changing needs of the workforce will not only support national and international efforts but bring local benefit.

What's in it for employers?

'Good work' is good for employers too. Those firms that adopt approaches to support 'good work' are likely to be rewarded with higher levels of recruitment, retention and productivity among their staff. In 2008, an Institute for Employment Studies report People and the Bottom Line estimated that if organisations increased investment in a range of good workplace practices which relate to employee engagement by just 10 per cent, they would increase profits by over £1,000 per employee per year. Providing fairly paid work and adequate opportunities for development and progression can help employers to keep employees motivated in their work, build loyalty towards the organisation, provide them with the skills to progress, fill skill gaps within the business and help the organisation stay ahead of competitors.

A workforce that reflects diversity both of customers, and of the community in which the business works, is also considered to increase creativity and enable businesses to design products and services for a broader base, leading to better measures on investment and shareholder return.

Increasingly, employers are being held accountable for the quality of work that they offer and the ethics and probity of their approach. As well as supporting the recruitment and retention of workers, the offer of 'good work' is also important to consumers. Customers

are increasingly conscientious about how they spend their money and want to support businesses that do the right thing. The public reaction to P&O Ferries' decision in March 2022, to summarily dismiss 800 staff and replace them with workers earning below minimum wage, demonstrates the unwillingness of consumers to support organisations who do not treat their staff well. The reputational damage to firms that seek to undermine workplace protections and standards can be far more costly than any benefits.

How can local government support good work?

Regional disparities in work, wellbeing and health outcomes, together with an increasing focus on employment, skills and economic renewal within local areas, is driving local ownership of the 'good work' agenda.

As place leaders, local government – councils and combined authorities – is becoming increasingly central in supporting the development of good practice at a local level; in understanding the interconnections of the local socio-economic, labour market, educational, and business contexts; and in leading on the development and implementation of economic and social growth policies. It is uniquely placed to support the 'good work' agenda at a local level and ensure that employment opportunities can help local economies and communities thrive.

Councils and combined authorities have a range of levers at their disposal to do this. As well as being a major employer itself and responsible for offering good quality work to thousands of public sector workers, it has extensive purchasing power and wider influence over local employers. When coupled with its insight into local economic, skills, employment, environmental and other community needs, councils and combined authorities can help support positive change.

There are several examples of ways that local government and businesses can support change, some of which are highlighted through a series of case studies and summarised in three broad themes below.

Good work charters

Good work charters (sometimes described as a pledge, standard or kite mark) establish a benchmark that local employers are encouraged to strive towards. They aim to provide a set of best practice employment practices that deliver benefits to employers, their employees and their communities.

Typically, councils and combined authorities will establish a range of criteria for defining 'good work' with local businesses, trade unions and community groups. This process will support buy-in from key stakeholders. Some charters require employers to declare that they have all aspects of the charter in place to become a signatory, sometimes defined at different levels or tiers. Others only require employers to declare that they are striving towards fulfilling the charter's criteria. Some do both. Where criteria need to be evidenced, local government will assess and review signatories, while others will simply require employers to declare their capabilities.

Key to the success of the charter approach is sustainability and promotion, including recognition of employers who fulfil their obligations towards them. Providing promotional opportunities for businesses who support 'good work' can help to raise awareness among their customer base and increase workforce satisfaction.

Creating social value through procurement and grant giving

Councils are harnessing their financial influence to leverage 'good work', requiring that suppliers and business grant recipients sign up to charter commitments or deliver social value through their operations. Local government procurement is key to leveraging more 'good work' opportunities for residents and social value with some councils encouraging suppliers to take steps to ensure their supply chains do the same.

This may involve councils and combined authorities taking a collaborative and supportive approach, providing a framework that helps suppliers to think about the ways they support, engage and reward their employees. It can also involve setting minimum expectations for local organisations, when bidding for local government contracts or accessing grant support.

Offering local business support

To achieve local ambitions for 'good work', employers need support to maximise their growth potential and recruit locally. Encouraging businesses to make improvements to their HR practice, by taking on best practice approaches in job design, recruitment, retention and support at work, is integral to many business support approaches.

A range of government programmes, such as the Help to Grow scheme for Small and medium-sized enterprises (SMEs) and the Kickstart programme, have been designed to have a positive impact on the economic recovery following the pandemic. Local government is supplementing nationally available offers with a range of tailored support. These include support for young entrepreneurs, initiatives to encourage community access to training, employment and progression opportunities, providing local jobs hubs and encouraging employers to engage with local schools to promote opportunities in their sector.

Putting ambitions around 'good work' at the heart of local business support offers can catalyse change among participating employers.

Definitions

Living Wage: A Living Wage is a minimum pay benchmark. Examples include the National Living Wage, the Real Living Wage and other local Living Wage campaigns.

National Living Wage: The **National Living Wage** is set by the UK government. It is higher than the National Minimum wage and workers get it if they're over 23.

Real Living Wage: The **Real Living Wage** is set by the Living Wage Foundation based on living costs. It is voluntarily paid.

Top tips



Case studies

Case study: County Durham

County Durham is a large unitary authority in the ceremonial county of Durham, North East England and includes Darlington, Hartlepool and Stockton-on-Tees. The region has a population of 533,149 and is home to 14,565 businesses. Most businesses in the region are micro or small enterprises (98 per cent) operating mainly in sectors of professional, scientific and technical services, construction, accommodation and food services, agriculture, forestry and fishing and retail.

Interview with Darren Knowd, Durham County Council, and Chair of the LGA National Advisory Group and the Social Value Taskforce

What does 'good work' mean to you?

The pandemic has brought a better sense of place and community and we've realised that we can all help each other. As an employer, we have a Better Health at Work award, and we do a lot of training, education, and awareness for managers on health including mental health. We use the <u>national TOMS procurement framework</u> to support social value outcomes. We are also a Durham Living Wage supporter.

What can be done to support good work at a local level?

We have an organisation called Business Durham which encourages inward investment, supporting small businesses to succeed in the area. We do a lot of supplier engagement, to make it easier to do business with local government. We focus on social value and are part of a shared procurement service, (North East Procurement Organisation), alongside our own initiative called The County Durham Pound, focused on maximising the social value of every pound spent in the County.

What are the main challenges and how can they be overcome?

First and foremost, you need to have the support and trust of your CEO. Procurement needs to have a mandate to do things. 50 per cent of what we are is what we spend. Another challenge is capacity and resources. I am lucky, I have 27 people, other councils only have one or two people.

What is your top tip for local government?

You need to get internal stakeholders on board and lead by example. If internal stakeholders don't understand and are not committed, or don't have the resources, good social value commitments won't be realised.

Interview with Caroline High, Procurement Manager, Believe Housing

Believe Housing is made up of approximately 530 employees covering the East coast, centre of Durham, across to Bishop Auckland and Rookhope.

What does 'good work' mean to you?

At Believe Housing we focus on flexible working that supports and improves the work-life balance of our staff. One of our priorities is to understand and improve social value in our supply chain. We currently have five contracts working with the TOMS social value procurement framework and ask our suppliers how they feel we can support them to adopt the same approach. Our last contract had a 60 per cent return of the combined contact value against the proposed social value.

What can be done to support good work at a local level?

We want to support local businesses through our supply chain. We attend Meet the Buyer events so we can advise small, local businesses of opportunities. Our engagement has allowed them to better understand our procurement processes and, through mechanisms such as approved supplier lists for repairs work, we now have suppliers that would not have previously considered bidding for that work. We're also reviewing prices every quarter, so we pay fairly and SMEs can afford to deliver their services.

What are the main challenges and how can they be overcome?

Our suppliers are willing to support the local communities, but don't always understand their needs and priorities. We've worked with Durham County Council and local schools to support areas of multiple deprivation and to change perceptions of long-term unemployment, using community grant funding and our partnership with the County Durham Pound.

What is your top tip for local businesses?

Looking at procurement specifically, we need to ensure that we don't ask our supply chain to do things that we would not expect to do ourselves. If we want our suppliers to make a difference, we need to lead by example.

Case study: Greater Manchester

Greater Manchester is a city region made up of ten councils, and home to more than 2.8 million people with an economy bigger than that of Wales or Northern Ireland. The region has 106,995 businesses, with a significantly high number in the foundational economy, which supplies every day essential goods and services, compared to the rest of the UK. Enterprises are concentrated in the sectors of construction, retail and professional, scientific and technical services as well as business administration & support services.

Interview with Ravi Badat, Economy Programme Lead, Greater Manchester Combined Authority

What does 'good work' mean to you?

The Greater Manchester Good Employment Charter sets out seven categories of good work. A key element for us is that it's constantly in development to reflect the changing world of work. We push the boat out on what the best employment practice looks like under each of those categories. All aspects are important, but the Real Living Wage twin track approach is useful as it is something that can be more easily measured.

What can be done to support good work at a local level?

The Greater Manchester Charter has two tiers of commitment – Supporters (making a commitment) and Members (with a rigorous assessment). Currently there are around 400 Supporters and 50 Members, covering almost 300,000 workers. From 2023, all new Greater Manchester public service contracts will stipulate that the contractor must support the Charter, offer the Real Living Wage and make a commitment towards achieving net zero.

What are the main challenges and how can they be overcome?

There's always going to be push back. There has been some resistance from business organisations who are concerned that the Charter may dictate to employers how they run their businesses. But we've got a growing army of super passionate leaders who can advocate on behalf of Greater Manchester. The structure of the Charter, having supporters and members, means that employers can engage and hear from others.

What is your top tip for local government?

Preparing people and making sure that you have the right people in the room with clear messages is critical. Working with the unions has also been key. There's not any one reason why this has happened so quickly, however the Real Living Wage campaign has kicked everyone into gear.

Interview with Chris Smallwood, CEO, Anchor Removals

Anchor Removals is a small business with 11 staff and growing. Chris owns 95 per cent of the business and took over in 2008.

What does 'good work' mean to you?

For me, the employees and their families are the most important people – that understanding is the foundation of what good work is. Nothing is more important than providing workers with good wages, secure employment and a safe working environment. I used to struggle to understand what good employment looks like, The Good Employment Charter provides a really useful explanation that you can work with.

What can be done to support good work at a local level?

The small business sector is a major employer that needs educating about good work. Business support programmes can encourage them to think more about the impact they have on their workers and local communities. The important thing about a charter is that it is a clear indicator, for a business, of what good employment looks like. The key thing that local government can do is recognise and promote those businesses who are doing the right thing. What we crave is profile and recognition.

What are the main challenges and how can they be overcome?

There's always a danger that employers focus on themselves without looking at the bigger picture. We are dealing with competitors who pay staff low wages and operate below the VAT threshold, offering a very low-cost service. The way we work around negativity and fear, is that there's a business case. We don't look at the bottom-line figure in isolation, we look at the money we're going to save from engaged staff that stay with you.

What is your top tip for local businesses?

The thing that everyone has got to realise is that the Great British public believe in good working practices. As more and more people get sucked into the cost-of-living crisis, they're suddenly realising 'we've got a duty to make sure that we purchase ethically'. The Good Employment Charter is just one, very good example, of how that can be delivered.

Case study: North of Tyne

The North of Tyne Combined Authority describes the areas covered by three local authorities – North Tyneside, Newcastle Upon Tyne, and Northumberland. The combined authority has a directly-elected Metro Mayor. The region has a population of 833,200, a local economy of over £18m, and is home to more than 25,000 businesses. Most businesses in the region are micro (88 per cent) or small (10 per cent) enterprises, operating mainly in the sectors of professional, scientific and technical services, construction, retail, food and hospitality, agriculture and fishing, manufacturing, business operations, and information technology.

Interview with Caroline Preston, Economy and Policy Advisor, North of Tyne Combined Authority

What does 'good work' mean to you?

We have our Good Work Pledge, which was developed with businesses and other key stakeholders. It's made up of the five pillars of good practice; valuing and rewarding workers, promoting health and wellbeing, effective communication and representation, developing a balanced workforce, and social responsibility. A key aspect of our Pledge is a flexible approach to business assessment and we have 56 business signatories at all stages of growth. Future plans include the development of a network of Good Work which will help businesses to connect, share best practice and embed a culture of continuous improvement and learning.

What can be done to support good work at a local level?

The development of a Good Work Community over the next year will provide networking opportunities for all the businesses who sign up. It will offer learning opportunities and resources that will support businesses to help each other. We also plan to work with enterprise agencies to engage smaller businesses. In terms of how we market our offer, it is really important to network and use promotional techniques to promote the pledge brand so that its seen and recognised. We're also working with partners to cascade information on what we're doing and why.

What are the main challenges and how can they be overcome?

Activity to attract, reach and support businesses to these schemes can be costly and this is something to consider. A scheme like this needs to be high quality, they must have something businesses respect and value. There is a quality and a monitoring consideration. For example, our pledge membership initially lasts two years, then revalidation is required to ensure members' are sustaining or progressing 'good work' values. We want businesses to continually improve, not just gain a sticker.

What is your top tip for local government?

Think long-term, because it's not something that happens overnight. Think about different segments and clusters you want to target – each will require a different approach. Think about what resource you can ringfence and how many people you need to do it properly. Think from the business perspective – they are giving up their time and you need to be clear about what they get out of it too.

Interview with Holly Shiel-Redfern, Partner and Commercial Director, Explain Market Research

Explain Market Research is a co-owned SME business based in the North East with over 50 staff delivering market research projects to clients across the UK.

What does 'good work' mean to you?

The five pillars really resonate with our own business structure, which centres around value and reward, effective communication and representation, a balanced inclusive workforce, and sustainability. To us good work means aligning our personal values to how we grow and develop the business to support the team. It's the people in the team that make and drive the business, so providing good work means being an employer that has a human and person-centred approach.

What can be done to support good work at a local level?

Being a good employer is key to retaining really good quality people in an SME business. From recruitment to the development of individuals' careers, we actively work with our staff to shape their pathways. Recognising that each person in the organisation is an individual is really important. You need a balance between a fair and transparent approach, recognising that each person has their unique needs and ways of contributing to the business.

What are the main challenges and how can they be overcome?

In relation to the Good Work Pledge, a challenge for small businesses looking to grow and doing large scale procurement, is the level of governance and due diligence and the level of handholding that they may need to create policies and to understand processes. It's essential that the Pledge doesn't become part of a tick-box exercise, just another part of the procurement process. There is the risk that the more social value becomes a prescribed necessity, the more you lose the foundation of why you're doing it.

What is your top tip for local businesses?

Pay attention to the community element, your business' position within the wider local community. Look outside your own environment, what are other organisations doing in

terms of best practice and innovation? It would be great to have a learning network with other organisations to draw on – the good and the bad, and how they are overcoming challenges.

Case study: Lambeth

Lambeth is one of 32 London borough councils situated in south London and has one of the largest geographic areas of any inner London borough. Lambeth has a population of 321,800 and is home to almost 14,000 enterprises. Most businesses in the borough are micro (91 per cent) or small (8 per cent) enterprises, operating mainly in the sectors of professional, scientific and technical services, information technology, business operations, arts and entertainment, construction, and hospitality.

Interview with Brodie Turner, Business & Inward Investment Manager and Ruth Hitchings, Principal Employment & Skills Officer, Lambeth Council

What does 'good work' mean to you?

It's about combining tangible things around the wage, hours, flexibility and inclusive workplace practices. Pay and the Real Living Wage is really important to us. Although Lambeth has relatively strong economic growth we also have pockets of disparity, so bridging that gap is another area we focus on. There's consensus that if you can support people early on, they're more likely to develop the skills to take them through in the future and access good work.

What can be done to support good work at a local level?

We have recently achieved the London Good Work Standard accreditation, we want to push that across the borough and lead by example. We're offering talent development through the Elevate programme focused on creative employment for young people and working with Get Set in Brixton to help NEET youth into work. We've also established International House, the UK's first Real Living Wage building which supports our commitment to well-paid jobs. This houses about 150 businesses and over 400 jobs.

What are the main challenges and how can they be overcome?

We want to support businesses to implement the Real Living Wage – but it's variable in terms of which sectors we're able to engage. Many businesses may pay it but aren't necessarily registered. However, that doesn't mean they aren't practicing good work. There's a gap between formal commitments and the reality of SMEs just trying to survive. We have to think long-term, not going to businesses asking 'What are you paying people?' but asking ourselves how to make good work accessible for employers.

What is your top tip for local government?

Talk to people that share your aims both internally and externally. Build strong partnerships with anchor institutions. Have a real emphasis on a particular element of

good work. For example, the Real Living Wage is a priority for us and we embed it across the council's procurement, strategies and work programmes.

Interview with Elle Moss, Creative Director, Drew + Rose

Drew + Rose are a creative agency based in Lambeth, rooted in family values and local community.

What does 'good work' mean to you?

My business is a brand and website agency centred on the values of supporting others, being ethically driven and helping the local community thrive. For example, diversity is key to us. Lambeth Council's International House, where we work from, has a very diverse workforce and has developed physical spaces to ensure diversity and inclusion are upheld, particularly around creating accessible spaces.

What can be done to support good work at a local level?

We work with our community. For example, there's the Young Creators, a body of young adults (many without further or higher education), that do creative and design work. We commission them for a lot of our design work and pay them agency fees, to ensure we pay fairly. We're also developing our own apprenticeship programme, Breaking the Spiral, for young people in the borough who don't have the qualifications to progress.

What are the main challenges and how can they be overcome?

Businesses have a lot of pressure on their time, and the pandemic had a real knock-on effect. We were in survival mode and we need to go back to thriving. But we need resources, capacity and support to do that and not all of us have it. People are scared and quite stuck, it's fear of the unknown that often blocks employers from doing things differently or new. We need some form of re-education, which comes from collaboration and sharing knowledge.

What is your top tip for local businesses?

Collaboration is so important, sharing that information. Being community focused and localised and paying the Real Living Wage – it's not going to impact your business negatively, it will improve business culture and sustainability in the long-term.

About IES

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