COUNCIL

11 June 2014

A Fair Employment Charter for Oldham

Report of: Portfolio Holder: Cllr Jenny Harrison; Cabinet Member for Commissioning and Public Sector Reform

Officer Contact: Dianne Frost, Assistant Executive Director (People Services Ext. 4695

Reason for Decision

In accord with our co-operative ethos, to ensure that the Council’s commitment to Fair Employment across the Oldham Borough is embedded and adopted as a constitutional commitment.

Recommendations

1. That Council adopts a constitutional commitment to Fair Employment; this as a role model employer and by bringing positive influence to bear working co-operatively with other Oldham employers positively to sign up for alignment with the Charter and for ‘accreditation’ as Fair Employers.

2. That Regeneration, Employment and Skills staff lead on the local business engagement, sign up and accreditation work; Procurement with Suppliers; Communications and Marketing support the internal and external promotion and embedding effort and people Services lead and ensure internal compliance and development of fair employment practice in order that the council may be regarded as a role model or employer of choice.
1 Background

1.1 The concept of ‘Fair Employment’ and having a Council Charter for same initially emanated from dialogue between representatives of the Labour group and the trade unions whose experience is that employees are too often employed on poor conditions, discouraged from trade union membership and having the ‘collective voice’ to improve their ‘lot’.

1.2 Having a Fair Employment Charter is consistent in principle with the Council’s other commitments to such as ‘Fair Energy’ and the like. It also applies borough wide. The Fair Employment Charter supports the political priority to tackle the issues associated with low pay including health inequality, productivity, dignity and society divide. By focusing on these issues, the Charter is designed to reduce the level of pay and employment inequality across Oldham. It underscores too the Council’s ideology and commitment to fair contracts, stability of employment and such as training and development for employees so that borough residents can plan and progress in their employment.

1.3 The concept of ‘Fair Employment’ is built on the business case that to offer decent terms and conditions of employment is equally good for business, employees and local society. The academically proven premise is that good terms of employment attract high calibre staff, enhance productivity and customer experience which, in turn, all support profitability or organisational success as well as quality of life for employees. This creates increased wealth and demand for products and services within the local community and thus the cycle of economic wellbeing becomes self-sustaining. If everyone acts to support fair employment, everyone benefits from the reciprocal and self-sustaining impact of improved economic wellbeing.

2 Current Position

2.1 Whist the concept of ‘Fair Employment’ inarguably resonates well with Oldham’s political ideologies and its co-operative agenda, there is also pressure on local authorities generally to ‘step up’ their economic influence, through procurement and business networks, on local employers to reduce differentials between the highest and lowest earners and offer decent terms and conditions to employees for the socio-economic betterment of local communities. This pressure emanates from the media and such as the report from Steady State and Equality North West of March 2014 whose findings were that, in Greater Manchester, authorities could do more to exert such influence and role model the changes required.

2.2 To this end Oldham is, in many senses, leading the way. The Charter attached as Appendix 1 was ‘soft’ launched at the local Business Awards on 21 March 2014 and more formally at an OBLG Business Breakfast on 4 June 2014. It has been endorsed by the Local NJC Committee of 29 April 2014, the Council’s website has been developed to accommodate and employer sign up is already underway, for all there will be further developments of both to come.

2.3 First Choice Homes Oldham (FCHO) and Emanuel Whittaker Ltd have both signed up to the Fair Employment Charter. FCHO is a not for profit housing association that manages approx. 12,000 homes in Oldham and employs about 430 staff. Emanuel Whittaker Ltd has been operation in Oldham for over 175 years and currently employs about 100 people. It provides general construction, regeneration, refurbishment and
conversion projects to a variety of local authorities and social landlords throughout the North West. They also have an active joinery manufacturing division, providing bespoke joinery solutions to a range of public and private sector clients.

2.4 The plan is that the Council’s Employment, Skills and Regeneration staff and politicians will continue to work jointly with partners such as local employers, with whom we are networked. This includes those who are suppliers to the Council, those companies making significant investment in the borough and potentially those who participate actively in ‘Getting Oldham Working’ to ‘sign up’ to the Charter and, in return, be ‘accredited’ and acknowledged as a ‘Fair Employer’ by the Council. This will give recognition to local employers and also optimise the influence we have through procurement and regeneration. It will strengthen too the Council’s impact in being instrumental in improving the employment terms for Oldham residents and, through this, the local economy with the longer term sustainability objectives.

3 Proposal

3.1 The Council, as a major local Employer, is clearly keen to ‘role model’ the six ‘Fair Employment’ commitments detailed in Appendix 1. Attached as Appendix 2 is a synopsis draft of ‘how’ the Council will implement these particular commitments within and through its own employ.

3.2 In addition, the Council seeks to become ‘Employer of Choice’ and receive external verification of this via externally benchmarked employee opinion surveys and, in 2016, by accreditation to Best Companies. Accordingly, the Council proposes to include in its own commitments the ways in which we will give ourselves the best chance of achieving this. These are also included within Appendix 2. People Services will govern internal council compliance and development.

3.3 Signing up local businesses is key to the success of the Oldham Fair Employment Charter (FEC). Thanks to high profile support, an on-going PR campaign and coverage of FEC at local events, businesses are becoming increasingly aware of the FEC brand and their value of it to their business and the borough as a whole. However, there is still much work to do if businesses are to be fully engaged and pledge their support to the campaign.

3.4 Building on the work that has already taken place, the council aims to create a targeted business engagement plan that will set out how the council will work with businesses encourage them to sign the pledge. As part of this process, the council will develop the “Top 100 Oldham Businesses” that will be proactively targeted and account managed. These will be those businesses that are looking to create new employment opportunities, those that are strategically important to the borough, new businesses with growth potential and businesses within growth sectors for example, hospitality, leisure and retail, manufacturing, digital and construction. The council will dedicate support and work closely with them on a regular basis, helping them to access the support they need to grow with the view of encouraging them to pledge to the FEC.

3.5 The council will also engage businesses via the OBLG’s Enterprise Fund. This fund is primarily aimed at supporting young entrepreneurs but it also provides support to existing businesses that are looking to grow. Businesses that access the support will be asked to sign-up to the pledge. The fund is expected to support 64 businesses over the next year.
3.6 The council will use its partner network to engage businesses and secure commitment to the FEC by working with business facing colleagues from the council and from GM. Team Oldham, is made up of colleagues from across GM who focus specifically on supporting business in Oldham to access the support they need to grow and expand. The team is made up of representatives from the Business Growth Hub (start-up and growth services), Access to Finance, Manufacturing Advisory Service, Blue Orchid and the Growth Accelerator. The team has been developed to provide a more co-ordinated approach to business engagement in Oldham and fully supports the GOW and FEC campaigns. They have agreed to promote the FEC and forward referrals back to the team for follow-up.

3.7 To ensure business engagement actually happens, the council has already created an internal working group that aims to improve internal business engagement and relations as well as reduce duplication of contact. The internal working group comprises of colleagues from Trading Standards, Licencing, Environmental Health, Business Rates, Planning and the Investment Team. The Group will be fully informed about the FEC and will promote it as part of the “Business Offer” when in contact with businesses.

3.8 The business engagement plan will also include the proposed work to be carried out by the Council’s Neighbourhood Teams. They are about to embark on a Business Engagement Programme linking businesses in their areas to a range of support and campaigns. The plan is that Councillors and Officers will speak to businesses about supporting the FEC and referrals and opportunities will be fed back to the Economy and Skills team for follow-up.

3.9 Businesses will also be engaged as part of an on-going events, communications and PR campaign, through events such as the OBLG’s Business Breakfasts, Oldham and Rochdale Construction Network, Oldham Festival of Business etc.

3.10 To support the Fair Employment Charter and to extend this model to our supply chain, the Procurement team has included the commitments of the Charter within the Supplier Social Value Pledge they are currently developing. It is envisaged that within three months of a large, complex and high risk contract agreement, the Supplier, in conjunction with Procurement, will confirm and quantify relevant and proportionate social value outcomes, including Fair Employment commitments. These commitments will be formally documented within the Suppliers Social Value Pledge and performance/ achievement monitored and reviewed on a quarterly basis. Monitoring will initially involve the Supplier returning performance data to the Procurement team for analysis. Procurement will measure and monitor Suppliers performance and achievement of agreed social value outcomes. Longer term contract monitoring plans link to the development of the Corvu system to allow Suppliers direct access to report their performance. This will enable the council to effectively monitor performance across the wider supply chain. The Supplier Social Value Pledge and monitoring arrangements are currently in draft format, whilst People Services consults with the trade unions and Procurement consults with suppliers and formally agrees its content and implementation.

3.11 A full and integrated communications campaign is planned and the Fair Employment Charter will form a major part of communications activity for the coming year around Get Oldham Working. This reflects the importance of ensuring quality, fair employment opportunities for local people.

3.12 Our communications approach will support the work of the business engagement team - promoting the benefits of fair employment to local businesses through existing
e-newsletters, events and networks and through the weekly Get Oldham Working features in the Chronicle. We will also look to promote the good practice of those organisations already signed up to the pledge through production of a business ‘toolkit’ with logos and supporting material for them to use in their business premises, websites and with their staff. We will feature case studies of Oldham's 'fair employers' in our regular Get Oldham Working features in the Chronicle and in Borough Life. We will also ensure that current and prospective employees of Oldham Council are clear about the council’s commitment to fair employment and what this means for people working in huge organisation. To support this we will update the intranet and external website recruitment section. We will also review recruitment material sent to candidates and new employees to ensure alignment.

4 Consultation

4.1 The Charter has already been the subject of consultation with local businesses, with cross party elected members, the local Labour party, the council’s recognised trade unions and has been the subject of scrutiny as part of the Inquiry into inequalities in Income in Oldham by the Oldham Fairness Commission. Internally, the Executive Management Team and other designated managers have been consulted and on all counts, the Charter has been well received.

4.2 The common concern of consultees has been the need for effective and sustainable monitoring and compliance arrangements.

5 Financial Implications

5.1 Any costs associated with the launch, development, business engagement and dedicated support of the charter will need to be contained within existing budgets. These budgets will need to be identified prior to costs being incurred.

The cost of implementing the national living wage will need to be factored into the 2015/16 Medium Term Financial Strategy at the upcoming Quarter 1 refresh.

Steven Mair, Borough Treasurer

6 Legal Services Comments

6.1 The report is consistent with the Council's co-operative principles and the principles of the Public Services (Social Value) Act 2012. Arrangements proposed with external bodies should be referred to Legal Services, on a case by case basis, for consideration to ensure that such arrangements are lawful in terms of procurement, state aid and competition law.

Colin Brittain, Assistant Borough Solicitor

7 Cooperative Agenda

7.1 As a Co-operative Borough we want to build a productive place where business and enterprise thrive. Central to this ambition is a commitment to providing our residents with access to good quality employment opportunities. This will help us to build confident communities where people are able to make positive choices for themselves, their family and their community.

8 Human Resources Comments

8.1 The Council’s’ commitment to Fair Employment is articulated at Appendix 2. People Services will be responsible for implementation via policy development and
frameworks and operational managers for compliance thereafter. The Charter will be embedded in all appropriate People processes which comprise the employment cycle.

Cathy Butterworth, Assistant Head of People Services

9 Risk Assessments

9.1 There are no risk comments to add to this report.

Mark Stenson, Head of Corporate Governance

10 IT Implications

10.1 Initial monitoring and compliance will be managed manually but with a view to automation subsequently, certainly for suppliers via CorVu or web based facility.

11 Property Implications

11.1 None

12 Procurement Implications

12.1 The council expects Suppliers to support the delivery of Oldham’s Fair Employment Charter through their Social Value Pledge. Key to ensuring support is the development of a genuine partnering relationship with our Suppliers; a relationship based on a mutual understanding of one another’s responsibilities and financial capacities. Supplier social value measures/outcomes will need to be relevant and proportionate to the contract being awarded. At this stage we are not recommending we make Oldham’s Fair Employment Charter and “Living Wage,” mandatory for all Suppliers, until further consultation with legal, our supply chain and further analysis of the implications of any associated cost to the Council.

Vickie Bennett, Interim Senior Procurement Manager

13 Environmental and Health & Safety Implications

13.1 None

14 Equality, community cohesion and crime implications

14.1 No adverse or disproportionate impacts on protected groups are anticipated as a result of introduction and embedding of this Charter. Indeed, the expectation is that people’s lives and prospects would be improved. It will support the employability and prospects of Oldham residents.

15 Equality Impact Assessment Completed?

15.1 No. Not applicable.

16 Key Decision

16.1 No

17 Background Papers
Oldham’s Fair Employment Charter

As a Co-operative Borough we want to build a fair and prosperous local economy where everyone does their bit and everybody benefits.

We believe that fair local employment is central to our ambitions for Oldham – thriving businesses with proud and committed staff.

As a fair employer we will

1. Pay a living wage
2. Offer fair contracts and stability of employment
3. Offer access to training and support
4. Support membership of trade unions
5. Enable and encourage employees to ‘do their bit’ for the borough
6. Support local people into work through Get Oldham Working

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Oldham’s Fair Employment Charter

As an employer, Oldham Council will deliver our Fair Employment Charter by:

**Paying a living wage**
- We pay the Oldham living wage, working towards the national living wage by 2015 and we will encourage our schools to do the same.

**Offering fair contracts and stability of employment**
- We offer contracts which give employees the assurance of known hours of work, are free from restriction and pay for all hours worked including travel between appointments.
- We use direct and permanent employment wherever possible in preference to agency or temporary staff.
- We eradicate zero hours contracts so our people can plan and know where they stand at all times.

**Arranging access to training and support**
- We offer quality development and training to ensure employees are equipped with the skills and qualifications they need to do the job and progress in their employment.

**Supporting membership of trade unions**
- We embrace the practice and principles of collective bargaining.
- We actively support membership of recognised trade unions so that all staff have a voice without fear of discrimination or reprisal.

**Encouraging employees to ‘do their bit’ for the borough**
- Our volunteering programme encourages all employees to use their skills and experience to support our local communities.

**Supporting local people into work through Get Oldham Working**
- We work to protect council services and retaining staff wherever possible. Where we cannot retain staff we support them to their next opportunity.
- We support Oldham residents into work by giving them priority access to council vacancies.

Oldham Council as an Employer of Choice

Oldham Council is building its reputation as a place where people want to work. As well as meeting the requirements of the Fair Employment Charter, as an employer we:

- Recognise and celebrate excellent performance.
- Are inclusive, embrace diversity and difference and do not tolerate discrimination, harassment or oppression of any kind.
- Are committed to the health, safety and wellbeing of our workforce.
- Create an environment where employees are well led, engaged and motivated.
- Are transparent in our decision making, listen to employees and involve them in change, problem solving and developing solutions.

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