

Good Employment Bill consultation – Key Points Draft Response

Introduction

We welcome the opportunity to respond to the Good Jobs Employment Bill and the move to support good jobs and good work which has increasingly been recognised as having positive economic and societal impacts, but ultimately, good work has benefits for employers, their employees and local areas.

The Council has considered its response in relation to its role as a significant employer in the city as well as in its role as civic leader. Whilst a detailed Council response to the specific proposals put forward is enclosed for consideration, this covering letter seeks to outline other key considerations which we would kindly ask is taken into consideration by the Department.

Providing secure work, with fair pay, that offers flexibility enabling the diversity of the labour market to work while also empower employees are key components of good work and driving inclusive growth - offering a sustained route to a secure income to help move out of poverty. This is at the heart of the Belfast Agenda, the city's community plan.

While there is still work to be done on measuring good jobs; the four themes outlined in the Employment Bill based on the work of the Carnegie Trust are at its core. **We would welcome further discussions on the work to define and measure good jobs** to ensure that our efforts to pursue inclusive growth ambitions for Belfast deliver for the region.

We would, however, draw attention to the **importance of building in responsibilities to create opportunities for progression and offer inclusive pathways to employment to encourage employers to consider alternative appropriate recruitment opportunities to support people to enter the labour market.** This will be crucial in driving an inclusive growth agenda and tackling the persistently high levels of economic inactivity by enabling employers to access the untapped potential that exists in the labour market; for example, the disability employment rate in Belfast is 37.1%, compared to 37.7% for the region and 53% for the UK (2021). Given the low unemployment rate and tight labour market that employers are now facing, the importance of creating inclusive pathways to secure and retain staff cannot be underestimated.

The local economy has been performing well; but the significant and persistent challenges are well documented in terms of the high levels of economic inactivity, low unemployment

and low levels of productivity which all hold the region back. Crucially, these issues continue to be a key driver of the inequalities experienced in the urban centres of Belfast and Derry. Employers are facing challenges of a tightening labour market, and reporting difficulties attracting and retaining workers across a range of sectors such as transport and logistics, hospitality and tourism, social care etc. Research into Spare Capacity in the Labour Market by the Ulster University Economic Policy Centre (2024) states that with unprecedented low unemployment levels, most of the private sector (which makes up 70% of employee jobs in Belfast) has been unable to rebuild their workforces to pre-pandemic levels. In addition to supporting good work, it is imperative that mechanisms are in place to enable employers to access this untapped potential in the labour market as well as supporting people to enter, or re-enter, the labour market.

As a civic leader, council drives inclusive growth and the good jobs agenda through interventions such as the Belfast Business Promise which is an accreditation and support scheme for employers working to improve Belfast. Working together to make Belfast a better city involves providing good jobs, whilst supporting a sustainable local economy and building a healthier city for everyone.

Through the business promise we have created a community of organisations committed to improving how they do business together. It sets ambitions and measures of excellence, with flexibility built in to enable all employers to take part, regardless of size and sector, with larger organisations expected to meet more challenging commitments.

The Belfast Business Promise focuses on 8 key pledge areas, 4 of which are directly aligned to 'good work' principles and should be considered in bringing forward new legislation and new practices. These include:

- **Pledge 1:** Provide fair wages & contracts
- **Pledge 4:** Offer opportunities into work
- **Pledge 7:** Recruit inclusively
- **Pledge 8:** Improve training, engagement & wellbeing

I would refer to further detail on the Business Promise and associated pledges available @ [Belfast Business Promise \(belfastcity.gov.uk\)](https://www.belfastcity.gov.uk/belfast-business-promise)

Theme A – Terms of Employment

We welcome the legislation's aim to create contracts that offer flexibility but also protect workers rights and the need to manage or restrict the use of zero-hours contracts, or exploitative practices by employers.

Belfast City Council has also been working to maximise its investment and influence changes in the practices of others to drive inclusive growth benefits for communities through a Social Value Procurement Policy, which is in its second year of implementation and applies to all contracts over £30,000. This includes a requirement for contractors not to use zero hours contracts. As a new policy, the implementation is subject to monitoring and review to identify improvements. In addition to using mechanisms such as Social Value Procurement Policy to deliver some of the proposed changes in the Employment Bill, there is value in applying the learning from this process to the plans for the Employment Bill such as:

- The need to ensure a bedding-in period for those applying the policy and to make suppliers (potential contractors) aware of the requirements.
- Some smaller contractors have expressed difficulties meeting the requirement for no zero-hours contracts due to cost pressures.
- Likelihood of increased costs associated with successful contracts.

As noted in the consultation document, we recognise that zero-hours contracts may be beneficial for businesses and workers in certain circumstances, such as seasonal work, therefore we would strongly support the adoption of 'appropriate use' of such contracts as a minimum requirement. For example, during the engagement to develop the Inclusive Growth City Charter for Belfast (the Belfast Business Promise), feedback from employers in the leisure sector indicated a desire from staff to retain the flexibility offered through more casual contracts rather than move to a permanent contract when offered this alternative.

Theme B – Pay and Benefits

We note that the Department for Economy has provided support for the establishment of Living Wage NI as an accreditation partner to the Foundation for the Real Living Wage and has stated its commitment to encourage organisations to adopt the Real Living Wage. However, given the impact that earning a decent wage can have on quality of life and the persistent levels of deprivation, there is scope to use this wide-reaching consultation on employment legislation to encourage and promote adoption of the Real Living Wage. The

annual wage differential between all those who work in Belfast and Belfast residents who work in the city is in the region of £3,000¹.

Belfast City Council is committed to encouraging other organisations and businesses to become Real Living Wage Foundation Employers using mechanisms such as the Belfast Business Promise and social value procurement policy.

In 2023 Belfast City Council was the first local council in NI to achieve Real Living Wage accreditation, we would suggest that **there is an opportunity to promote the adoption of the Real Living Wage** as a core element of good jobs, particularly when considering Pay & Benefits. With a slight rise in the jobs paying below the Real Living Wage and Belfast residents more likely to be employed in jobs that pay the below Real Living Wage (17.6% in 2023, compared to 14.6% in 2022)², this is an area that have a significant positive impact on quality of life and the opportunities people have to participate in economic and social life.

Legislative change is welcome in ensuring that protections are in place, particularly for those most vulnerable and most likely to face multiple barriers to economic inclusion, for example, those with low or no qualifications, those with disabilities, ethnic minorities, women etc. We also recognise that some sectors have a reputation of not providing 'good employment' or quality work and tend to be lower paid sectors, such as hospitality and tourism, social care, retail and transport. Around 20% of employee jobs (47,266) in Belfast are in the transport, accommodation and food and whole/retail sectors in Belfast; an additional 15% of jobs are in health and social work, which include social care³.

As previously noted, increased costs are likely to accompany measures such as the ban of Zero hours contracts and Real Living Wage. We would emphasise the importance of the public sector maximising their procurement and commissioning power to create community benefits and deliver on responsible, inclusive employment practice by factoring in the increased costs when enacting social value procurement, particularly in key service delivery sectors such as social care and when delivering via the third sector.

Theme C – Voice and Representation

¹ Annual Survey of Hours & Earnings, NISRA (2023)

² Annual Survey of Hours & earnings (NISRA, 2023)

³ Business Register & Employment Survey 2022, (NISRA, 2023)

The Council recognises the importance of collective bargaining and the central role of trade unions to this process as representative voices for workers. We would also emphasise that fostering an open and engaging workplace goes beyond positive engagement with trade unions and requires leadership and management skills. This would apply to all organisations, irrespective of the size or sector. This is recognised in the Belfast Business Promise pledges and supported by the CIPD Quality of Work Index.

Theme D – Work-Life Balance

Council recognises the importance of flexible working. The Belfast Business Promise encourages businesses to offer and advertise flexible working (where possible), creating a culture where employees feel valued and can thrive within the workplace.

Next steps

Considerations for Micro and Small Businesses

We are acutely aware of the importance of micro and small businesses for the local economy - 87% of businesses in the Belfast economy - and the economic realities associated with the cost of doing business increasing in recent years.

- According to Enterprise NI, the top three concerns for micro and small businesses in 2023 have been increased cost of goods and services, increased energy costs and having to raise prices⁴.
- This is mirrored in the 2024 Belfast Business Survey (46% and 38% of respondents were micro and small businesses respectively), with businesses facing increasing costs in terms of wholesale/goods, labour and professional services and utilities. Staff recruitment, business rates, paying overheads (utilities) and getting paid on time by customers/clients were reported as being the main challenges⁵.

It is therefore essential that changes in legislation are planned, phased and reasonable for businesses, particularly in relation to their size. While micro and small business dominate the local economy, they also tend to be limited in terms of time and budget, therefore it is vital that preparatory work and early awareness raising is done with businesses to ensure they understand any new legislative requirements.

There is also support and work that can be done to support employers to adopt more inclusive practices.

⁴ Enterprise Barometer 2023

⁵ Belfast Business Survey, Belfast City Council & Belfast Chamber 2024

We would **recommend that the legislative change or codes of practice are supported by wider cultural change** to transform the economy to support an inclusive growth agenda. This would recognise good practice, support behavioural change whether that is driven by legislative change or codes of practice and also encourage the normalisation of good practice. The commissioning role and employment responsibilities of the public sector in NI cannot be underestimated in creating change and supporting the ambitions for good work and good jobs.

Good work charters, or ‘better job pledges’, have been adopted by several authorities/combined authorities with good practice shared across a core network of 14 places through the Inclusive Growth Network (supported by the Joseph Rowntree Foundation and partners Metrodynamics and the RSA). These charters/pledges are bespoke to their places and tend to recognise the importance of job security, wages, contracted hours, and progression potential. The Belfast Business Promise is one such initiative which supports organisations to assess and improve their business practices for positive social impact.

The Department for Economy has led the way for NI government departments in signing up to the Belfast Business Promise and we would encourage the public sector to lead by example. Belfast City Council, along with Translink, Belfast Harbour, Queen’s University and Ulster University as the city’s anchor organisations have joined the Belfast Business Promise committing to drive inclusive growth in Belfast.

Engagement and consultation on the developing Belfast Agenda, the city’s community plan, demonstrated strong support for the Belfast Business Promise as a means of driving inclusive growth across the city. This reinforced the key messages from the development of the Belfast Business promise which highlighted the importance of:

- Raising employment standards and contractual terms including supporting progression towards adopting the Real Living Wage and appropriate or no use of zero-hours contracts.
- Sharing good practice and signposting to access support and advice
- Role modelling and building a community of employers that could help develop collaborative approaches to help address city issues.

We would **welcome the opportunity to work with the Department to further develop this model**, building on the learning to date in order to maximise our collective effort to deliver inclusive growth and good work in the city and across the region.

The Labour Relations Agency encourages the adoption of good employment characteristics through interventions such as the Belfast Business Promise, Carnegie Trust, and the Greater Manchester Good Employment Charter.

Moreover, the development of an NI Good Employment Charter is underway with the view to launch 2025. Belfast City Council officers are supporting the Labour Relations Agency in their efforts to support good employment in shaping the development of this charter to align and support the Belfast Business Promise.