

## **Appendix B – Workforce Update**

### **Purpose of report**

For decision.

### **Summary**

This report sets out the key workforce policy developments that have taken place since the last Board meeting.

#### **Recommendations**

That members of the Resources Board note the update.

#### **Action**

Officers to follow up any actions, following the direction of members.

**Contact officer:** Naomi Cooke

**Position:** Head of Workforce

**Phone no:** 0207 6643299

**Email:** naomi.cooke@local.gov.uk

## **Appendix B – Workforce Update**

### **Annual workforce survey**

1. Fieldwork on the annual workforce survey began recently. The survey is closely linked to the workforce priorities that we have identified with questions focused on leadership, skills, reward etc. The survey also includes standard indicators such as sickness absence and labour turnover which have been collected for a number of years and are used by councils for benchmarking purposes. Special questions on the workforce effects of Brexit and potential effects of pension tax changes on organisational flexibility have been included this time. We will report on the survey in due course.

### **Brexit and settled status**

2. Members will be aware that one continuing issue in the build-up to Brexit has been the development of the so-called settled status scheme, allowing resident EU nationals to apply for permanent leave to remain. The settled status system was piloted with social care staff and the workforce team helped to organise a familiarisation webinar with the Home Office which had over 100 participants. The webinar was well-received although some issues around the operation of the scheme remain open to question.
3. The Government made a welcome announcement that the fee for settled status applications will be waived but there are still a number of practical issues with the operating system. One on-going issue is that the system is meant to operate on-line through a mobile 'phone App. The App will not operate on iPhones because Apple has refused to facilitate this. As we understand it, discussions are ongoing.
4. The workforce team has also asked councils to tell us how many EU citizens they currently have working for them. The information is still being processed but quite a number of councils do not have definitive data at this stage.

### **The NHS Long Term Plan**

5. The Local Government Association (LGA) has welcomed many aspects of the NHS Long Term Plan (LTP).
6. One chapter of the LTP is devoted to workforce issues but is almost entirely focused on the NHS workforce and has little discussion of local government. It outlines how the NHS must ensure it has enough people with the right skills and experience working in rewarding jobs, and a positive culture. It notes the need for opportunities to develop skills and use state-of-the-art equipment; and to strengthen and support good, compassionate and diverse leadership at all levels.
7. The plans will be finalised by NHS Improvement and the Department for Health and Social Care (DHSC) when the education and training budget for Health Education England (HEE) is set later in 2019. These actions will be delivered through a workforce implementation plan to be published in 2019.

8. The LGA believes that it is understandable, if unfortunate, that there is little emphasis on the integrated workforce at this stage with the green paper and NHS workforce implementation plan yet to be delivered. However, it is vital that the NHS and local government develop a system-wide approach to workforce planning and that the impact of changes to the NHS workforce on the social care workforce is considered.
9. There is no clear timetable to produce the workforce plan and it will be important to set this out as soon as possible. The proposed national workforce group will need to make strong links with local government and social care providers

#### **Police Staff**

10. The National Employers have reached an agreement with the Trade Union Side on an increase of 2 per cent on all pay points and Standby allowance from 1 September 2018 through the Police Staff Council (PSC). In addition, the agreement includes the removal of the bottom pay point (point 6) on the national spine and further discussions on a without prejudice basis on annual leave and apprenticeships  
<https://www.local.gov.uk/our-support/workforce-and-hr-support/police/police-staff>. Furthermore, both Sides are engaged on a review of police staff pay and grading through the PSC's Pay and Reward Working Party.

#### **Teachers Pay 2019**

11. In November 2018 the Secretary of State (SoS) for Education published the [remit for the School Teachers' Review Body](#) asking them to produce its 29th Report by May 2019. The SoS particularly welcomed consultees' views on affordability and any further targeting of pay.
12. We received a 25 per cent response rate from the 152 local authorities invited to respond to the National Employers Organisation for School Teachers ([NEOST](#)) - which is the sole employer statutory consultee. The NEOST response will be published ASAP after the STRB submission deadline of 30 January.
13. The key agreed position of NEOST:
  - 13.1 Is that there is justification of a pay increase for all teachers fully funded by central government and including funding for 4,900 teachers employed centrally by local authorities who provide services to schools which include support for looked after children as well as music services etc.
  - 13.2 To urge the STRB not to recommend any additional targeting of pay e.g. shortage subject areas. Schools already have flexibility to pay more but they do not have the money to use all the flexibilities they might want to.

#### **Pensions update – scheme valuations and cost cap**

14. It has been confirmed by Government that increases in employer costs for the Teachers, Firefighters and Police schemes are going ahead in 2019.

15. A consultation is currently underway from DfE in respect of level of financial support to different sectors. Costs in relation to centrally employed, maintained schools, academy schools and Further Education teaching staff will be met for 2019-20 but not those costs in relation to staff of independent schools or Higher Education.
16. LGPS employer rates will be effective from April 2020 and will be determined by local fund valuations commencing in March of this year.
17. All schemes are currently submitting proposals for improved member benefits to government as required under the cost cap process most of which will cost around 3 per cent of payroll. In LGPS the Scheme Advisory Board has submitted proposals costing an average of 0.9 per cent of payroll.
18. However it was announced on 30 January that pending the outcome of the McCloud age discrimination case the cost cap process will be paused. The Government lost the case in the appeal court on 21st December and are currently seeking leave to appeal to the Supreme Court. If the appeal court's judgement is upheld significant changes will be required to all public service schemes.

### **Apprenticeships**

19. Since the last Resources Board meeting, the government has published the Public Sector Target reporting data for 17/18. Local government delivered over 11,000 apprenticeship starts in 17/18 (almost exactly in line with the LGA's projection). This is almost double the 6,000 starts delivered in 16/17 and was achieved during a period where headcounts across the sector fell by 5 per cent (we were the only element of the public sector to see a net reduction in headcount over this period). Local government managed 0.9 per cent of its 2.3 per cent public sector target, against a national average of 1.4 per cent . We trailed the armed forces (9.1 per cent), civil service (1.3 per cent) and NHS (1.2 per cent), but were tied with the Fire Service and ahead of the Police (0.2 per cent). In terms of overall raw numbers, only the NHS (13,800) and armed forces (13,475) managed more starts.
20. Early signs from the LGA's survey of the sector (based on 40 responses so far out of 151 single or upper tier LAs) suggest there may be a further increase in numbers in 18/19. We are currently projecting at least a 5 per cent -10 per cent increase in starts year-on-year and believe this projection may well be revised upwards as more data comes in. The survey is also highlighting continuing challenges with lack of resources, inability to find training providers for all standards and the ongoing difficulties with 20 per cent off the job training. Although 88 per cent of responding councils were reporting that they already had, or were projecting to have, more starts in 18/19 than 17/18, 82 per cent still did not expect to meet the target this year and 95 per cent did not expect to spend their annual levy pot. Unspent levy funds will begin to expire from April 2019, and 75 per cent of respondents report that they expect to see some of their Levy funds expire by September 2019, with 40 per cent seeing those funds expire in May or June 2019.
21. The LGA is continuing to deliver its Bespoke Support Programme (supporting 34 councils) and the ESFA-funded Apprenticeships Accelerator Programme (supporting 22 projects covering 37 councils), which are both helping the sector move their apprenticeship programmes forward. The Apprenticeships Maturity Model – a self-

assessment matrix designed to help a council benchmark its progress and understand the steps it needs to take to improve its apprenticeships programme – was launched in January 2018 and a revised and updated version is set to be launched to the sector in the coming weeks, as well as a guidebook and toolkit based on the Maturity Model that will share templates, guidance and best practice which is set to launch in March.

22. The LGA's key asks of government continue to be focused on securing a commitment from government to allow employers to pool together their apprenticeship levy contributions to transfer to other employers, securing an extension on the two-year expiry date for levy funds, a greater focus from government on ensuring an adequate number of providers are available to deliver key standards for the sector and allowing employers to top-slice the apprenticeship levy to contribute towards the funding of the administration of an apprenticeship programme. All of these asks were raised again at a recent roundtable with Apprenticeships and Skills Minister Anne Milton in January 2019.