

Workforce Programme Board – report by Sir Steve Bullock (Chair)

1. I was very pleased to chair the first meeting of this Board in September and to welcome its new members. As well as discussing policy items, we considered the Board's role and priorities for us going forward and agreed them to be:
 - 1.1 helping councils develop a flexible and productive workforce
 - 1.2 ensuring an affordable and flexible pay, reward and conditions system for local government
 - 1.3 working with the different public sector employers to address the challenges and opportunities in local workforces.

Productivity

2. The Board discussed the place-based productivity programme being led by the Group and overseen by the Improvement Programme Board. Our discussion focussed on the workforce and skills workstream which is being led by Nick Walkley chief executive of LB Barnet. Councillor Roger Phillips is representing the Workforce Board at member level.
3. The workforce and skills workstream will identify ways to build the capacity and capability of the workforce to achieve improvements in productivity and deliver efficiency savings. The work will be structured around two themes:
 - 3.1 Current practice and the capacity to deliver productivity improvements - work in this strand will focus on:
 - 3.1.1 identifying best practice;
 - 3.1.2 key performance metrics and potential productivity gains across the sector;
 - 3.1.3 barriers encountered by authorities in delivering best practice developing tools to support authorities.
 - 3.2 Transformation - work in this strand will focus on:
 - 3.2.1 identification of the policy issues, skills deficits and potential barriers that need to be addressed to deliver a step change in productivity in local public services;
 - 3.2.2 identification of some high impact areas where change could be made.

Local Government Pension Scheme

4. The LGA's response to the Independent Public Service Pensions Commission was discussed at the September Board. The submission made clear a number of points including that:
 - 4.1 The Local Government Pension Scheme (LGPS) is totally different to most other pension arrangements operating in the public sector;

- 4.2 While the LGPS may be under funded it is not an *unfunded* scheme;
- 4.3 The future of pensions as part of a total reward strategy is crucial to the development of local government services in the future;
- 4.4 Any pension scheme must be sustainable and affordable and the LGA have continually lobbied CLG as the regulator on that basis.

A copy of the full submission is available on LG Employers' website at

<http://www.lge.gov.uk/lge/aio/7107662> .

Hutton Review – Fair Pay in the Public Sector

- 5. On behalf of the LG Group, LG Employers has developed a response to a series of questions posed by the Fair Pay review, and made the following recommendations:
 - 5.1 The local government reward system for top pay already includes safeguards that enhance fairness, so further regulation, including an enforced maximum pay ratio of 20:1 between the lowest and highest pay rates would not serve any purpose and would inhibit important local flexibilities. The average ratio of local government is in fact only 9:1;
 - 5.2 Perceptions of fairness could be enhanced by the introduction of a public sector code of practice on setting top pay levels and by the proper use of independent remuneration committees as long recommended by the LG Group;
 - 5.3 The code of practice could be enhanced by requiring equality impact assessments of all pay policies and reward structures;
 - 5.4 Work could be conducted comparing and contrasting the roles of executives in public sector organisations and FTSE 100 companies to help people realise that although some key characteristics of the organisations may be very different, the pressures faced are comparable in intensity and both sectors have much to learn from each other;
 - 5.5 That the role of recruitment consultants in senior public appointments is examined.

Employee motivation through transformation

- 6. I am pleased that new web resources have been published to support councils in maintaining and improving workforce engagement through challenging times and organisational transformation. These include: case studies covering empowering staff, taking them with you through transformation and creating a “can do” culture, and [addressing the cultural aspects of transformation](#) bringing together tools and techniques to help councils achieve successful cultural change.

Councils as excellent employers

- 7. A successful local government careers and branding event was held on 7 September in partnership with Local Government Yorkshire and Humber. The aim of the event was to enable councils to share good practice and start to map a realistic way forward for promoting councils as employers to young people, bearing in mind immediate financial constraints and challenges, but taking into account potential future skills and knowledge gaps and occupational skills shortages.

Contact officer: Helen Newman **Phone no:** 020 71877315
Position: Service Director, LGE **Email:** helen.newman@local.gov.uk

