

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

### **Pensions**

1. Earlier this year, the Chairman of the LGA and I wrote to both the Chancellor of the Exchequer and to the Secretary of State for Communities and Local Government (DCLG), expressing our concerns over the potential impact of a significant rise in employee contribution rates on the Local Government Pension Scheme.
2. The Secretary of State responded, acknowledging our concerns, and suggesting that officials meet to discuss ideas. We also received a letter from the Chief Secretary to the Treasury confirming that the Government has committed to make contribution increases and that these should be progressive, protect low earners, and be phased in over three years. He has asked for the Group's input on how best to design an increase to meet these objectives whilst minimising opt-outs.
3. An informal meeting between DCLG and LG Group officials has been held and, subsequently, a letter has been sent to the Secretary of State giving our thoughts on alternatives to an increase in employee contributions that could be considered in order to deliver the Government's aims. The letter has been copied to the Chief Secretary to the Treasury, the Chancellor of the Exchequer and the Minister for the Cabinet Office for information. We await a decision.
4. We also await:
  - 4.1 a decision from the Government on Fair Deal;
  - 4.2 an announcement from the Government in the autumn concerning the introduction of new public service pension schemes (following the report from the Independent Public Service Pensions Commission (Hutton)); and
  - 4.3 the outcome of the unions' request for a judicial review of the Government's decision to change the basis of increasing public service pensions from RPI to the generally lower CPI index of inflation.

### **Public Health**

5. On behalf of this Board, Councillor Sue Murphy attended a meeting of the Public Health Round Table. The roundtable, which includes key stakeholders such as the BMA, is working to develop common positions on key issues such as handling workforce transfers.

### **Top pay**

6. Along with other lead members of this Board, I was pleased to meet with Mr Will Hutton on the 5.7.2011. At this meeting we discussed the proposals made in the

final report of his review of fairness in public sector pay. We took the opportunity to stress that while transparency and fairness in top pay are of course important, any decisions regarding pay levels should be left to local employers, informed by relevant and robust comparative pay information.

### **LG Group Conference**

7. Two thought provoking and stimulating workforce related sessions were held at this year's Local Government Group conference. .
8. A plenary was chaired by Ben Page of Ipsos Mori focusing on: "What kind of people do we need to run fresh, innovative and fit for purpose public services today and in the future? What are the key issues for Leaders of councils going forward?" The event was supported by Councillors Philips and Comer as lead members of the Workforce Programme Board. The well-attended session highlighted the challenges in helping staff to work more flexibly, whilst also modernising terms and conditions and introducing very different forms of service delivery.
9. Sarah Messenger chaired a workshop on social enterprises with guest speakers Julian Le Grand Chair of the Cabinet Office Mutuals Task Force and Danielle Proctor, Corporate Director, transformation, efficiency and capability development, Local Partnerships. This session provided the opportunity for a policy debate on whether social enterprises provide the answer to delivering services differently in local government. The event was well-attended by members who engaged in passionate debate about the suitability of the social enterprise model for all services, along with the often bureaucratic challenges in getting them set up when they do seem suitable.
10. As Chair, I will ensure that the learning from both these sessions is taken forward by the LG Group Workforce team...

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