

Workforce Policy and Strategy

Purpose of report

For information and discussion.

Summary

This report introduces the new Workforce Policy and Strategy Team's work and summarises some new and continuing areas of activity, including on the transfer of public health functions, setting top pay, managerial efficiency and de-layering, and preparations for workforce activity at the Local Government Group conference.

Recommendations

Members are asked to:

1. Note the report and the fact that this will be a standard item on future agendas as a summary of activity, with significant new policy items presented as separate papers; and
2. Provide observations on the key workforce elements that LG Group guidance on the transfer of public health functions to the sector needs to cover (see paragraphs 6-10).

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Workforce Policy and Strategy

The new workforce policy and strategy team

1. Local Government has been going through an unprecedented period of change due to budget reductions. Throughout this period our staff have been called on to make considerable sacrifices. They have, nevertheless continued to provide the vital services for our communities. It is clear that further change will be needed in many locations and that this change can be facilitated by action at a national level. It is important to begin however by offering a strong national statement of support and appreciation for our hardworking staff and to express the hope that we can move forward together in making further changes to the way we work.
2. The new Local Government Group structure means workforce issues are now managed in an integrated way with other policy areas, bringing a significant opportunity to recast the work we do with and on behalf of councils. Resourcing realities mean that activities will need to be carefully organised and members of this Board have agreed the following three priority outcomes:
 - 2.1 Councils are helped to develop a productive, flexible, skilled and appropriately structured workforce;
 - 2.2 Councils are supported by an affordable and flexible pay, reward and conditions system;
 - 2.3 Councils are supported to work jointly with other employers within a place to deliver better services and achieve value for money for local citizens.
3. Reflecting these priority outcomes, this paper sets out the new and continued activities of the newly created workforce policy and strategy team. Regular reports of this sort will be provided to members from now on.
4. The new team comprises four senior advisers with lead responsibilities for four broad areas:
 - 4.1 Modernising pay and rewards;
 - 4.2 Innovation in skills and workforce development;
 - 4.3 New ways of working including social enterprises;
 - 4.4 Innovative HR practice.
5. The team is developing proposals for early action that will provide maximum benefit for councils. It will work with negotiations specialist colleagues to take forward any actions in close liaison with the trade unions and will also work closely with the small team that will provide additional chargeable support and consultancy to councils and related employers. The workforce policy and

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strategy team will work closely with regional partners and with Government Departments responsible for developing thinking on workforce issues across the public sector.

Current team activity includes:

Public Health

6. The proposed transfer of some public health functions to local government brings with it a number of workforce issues. The most important is the method by which staff will move across to local government. There is widespread agreement that staff transfer issues around terms and conditions need to be handled sensitively and balanced with the best interests of councils as employers.
7. To enable high level discussions on these complex issues, LG Group has set up a working group involving a number of chief executives, HR professionals and regional representatives to develop a national framework to allow a flexible approach to the movement of staff from the NHS to local government.
8. The workforce policy and strategy team is also involved in a national working party with the NHS to produce an overall "concordat" that will establish key principles and a direction of travel for the forthcoming changes.
9. There are other important issues around ensuring continuity of training and development, linked to the production of a public health workforce strategy.
10. Members of this Board have been invited to attend the periodic roundtable meetings with key stakeholders from now on.

Top pay

11. Two key areas of development are continuing:
12. The Localism Bill sets out the Government's approach to increasing accountability through a requirement to have a pay policy for top staff agreed by full Council meetings.
13. Will Hutton's report on fairness in top pay has been welcomed by the Treasury and a response is being developed for the civil service. Members received a summary of key recommendations at a previous meeting including the concept of an element of basic pay being at risk on an "earn-back" basis. Lead members have agreed to meet with Will Hutton to discuss his proposals.
14. It is vital to ensure that councils are supported as they consider ways to improve accountability over top pay in their local circumstances. Appropriate guidance

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will be developed. Observations from members about key issues to cover would be particularly welcome.

Preparation for the Group conference

15. There are two workforce related sessions at this year's Local Government Group conference: a plenary on developing the workforce of the future and a workshop on social enterprises.
16. The plenary will be chaired by Ben Page of Ipsos Mori and its theme is: "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?". Speakers will discuss what the future workforce might look like and how councils can deliver "more with less" by taking their talent with them. This session takes place on Wednesday 29 June, between 16.00-16.40.
17. The workshop on social enterprises will be a policy debate on whether social enterprises are the answer to delivering services differently in local government. The session will help councils understand the journey to creating a viable and sustainable social enterprise; identify the possible benefits; and outline the support available from LG Group on the challenging workforce issues arising. This session takes place on Tuesday 28 June, between 16.45-17.45.
18. Both sessions will be discussed on the conference blog, at www.local.gov.uk/annual-conference-2011

Improving Decision Making Accountability – workforce efficiency through de-layering

19. LG Group has embarked on an innovative match funded project to help councils reduce management costs and improve decision making accountability learning from the best in the private sector. The project is applying the Decision Making Accountability (DMA) approach to vertical organisational structures in four pilot councils. The learning from these pilots will be used to develop a DMA toolkit, available for councils in the autumn. The project is delivered by Stanton Marris consultants contracted individually by each council.
20. Croydon Borough Council and the Local Government Group have a London based showcase event planned on the afternoon of 25 June to highlight Croydon's experience to date. This will be shared with all councils via the Workforce Community of Practice.

Financial Implications

21. LG Group work will be funded from within existing budgets.