

Workforce Update

Purpose

For information and discussion.

Summary

This report sets out the key workforce policy developments that have taken place since the last Board meeting on 23 September 2016.

Recommendation

That the LGA Resources Board note the update and provide a steer on the development of the LGA's workforce work programme.

Action

As directed by members.

Contact officer: Sarah Messenger
Position: Head of Workforce
Phone no: 0207 187 7342
Email: Sarah.Messenger@local.gov.uk

Workforce Update

Background

1. The LGA's workforce team works with councils and their partners to help create a workforce able to respond to major changes within the public sector.
2. At the first meeting of the Resources Board this political meeting year, Members' agreed a work programme that would focus on: Workforce Strategy; Pay and negotiation; and Pensions.
3. This report sets out key developments in these three areas.

Workforce Strategy

4. *Apprenticeships*: the levy tax and public sector targets come into effect in May 2017. Mandatory investment in apprenticeship training, equivalent to 0.5% of local government pay bill, will cost c. £200 million per annum. The non-mandatory target for apprentice numbers in local government is estimated to be 33,000 starts every year. In summary, current issues include:
 - 4.1. The LGA is working with Department for Communities and Local Government (DCLG) and Department for Education (DfE) to provide guidance and support to councils in England with national conferences and webinars in May, September and November. Guidance on web and communication to all councils is planned for December.
 - 4.2. The definition of an 'Apprentice' is now much broader, referring to anyone learning higher skills progressing to new role, which means it can be applied to the existing workforce.
 - 4.3. The LGA is targeting skill shortage areas such as social care and planning to provide apprentice pathways into hard to fill jobs.
 - 4.4. Apprentice levy and targets applies to schools and LGA is working with DfE on guidance and advice to schools.
5. *NHS Leadership Strategy*: The NHS Improvement and Leadership Strategy will be published after 29 November. Whilst this is a strategy for NHS funded roles, the LGA and Skills for Care have been involved in developing the strategy and members will recall that you approved the final version recently. A covering letter for the Strategy has been prepared which Cllr Kober OBE, Resources Board Chair, will sign on behalf of the LGA. Whilst we welcome this strategy, we have consistently made it clear that we will only deliver better health and social care outcomes if we achieve better integration across both sectors.
6. *Come back to social work campaign*: The LGA has developed and led this campaign aimed at experienced social workers who left the profession up to 5 years ago, offering

them intensive refresher training getting them ready for registration and interview by prospective employers. The campaign is a pilot run at low cost with Department for Education (DfE) and Department of Health (DH) endorsement and a small amount of funding. A microsite and online application system was supplied by Jobs Go Public. 22 entrants were accepted by interview in October and the training element of the programme is now beginning.

7. *Social Work Regulator*: The Government proposes to develop a new regulator for Social Workers and the LGA has lobbied intensively to ensure that the new body is independent from Ministers. Much detail remains to be developed about the nature of the new body and we will be supporting the DfE/DH working group to ensure that the interests of employers are fully represented.

Pay and the National Living Wage

8. A two year pay deal done for 2016-18 to provide time to start to address the challenge of adapting the national pay spine to meet the increasing challenge the National Living Wage (NLW) will present as it moves towards its 2020 target level.
9. We commissioned Incomes Data Research to do a piece of qualitative research into what steps councils are taking to address the challenge. A voluntary sector provider of adult care services was also included in the research. The purpose of the research was to inform the NJC Employers' position in negotiations with the unions with regard to pay agreements for 2018-2020. Feedback was given to NJC Employers on the research on 10 November.
10. The NJC Joint Working Group is now up and running to consider options for a new pay spine. On the Employers' side this is supported by a sounding board of HR and payroll practitioners from councils and a couple of regional employer representatives. There has been some initial discussions with the unions about principles to underpin the review.

Sleeping-in payments

11. This has been a significant unresolved issue for some time and we've been to meetings with the Department for Business, Innovation & Skills BIS (as was) both as the LGA and jointly with the Association of Directors of Adult Social Services (ADASS) and Voluntary Organisations Disability Group (VODG). It is a bigger issue for the costs of procuring social care than for the directly employed workforce. In summary, the Regulations surrounding the National Minimum Wage (NMW) have always said that sleeping in hours do not count for calculating the NMW, but some recent case law has come to a different conclusion and updated government guidance has moved in that direction, as well as the approach taken by some HMRC inspectors.
12. VODG hosted a meeting recently to discuss this and LGA officers attended. The other attendees were largely adult social care providers. As a result of the meeting, a joint statement was sent to the Department for Business, Energy and Industrial Strategy (BEIS) and copied to DCLG and DH. The statement asks that as a matter of urgency that BEIS looks into this issue with a view to confirming that the position is as stated in the Regulations. The Chairs of both the Resources and Community Wellbeing Boards were content to support the statement and the approach to central government.

Pensions

13. *Pooling*: The LGA understands that the Local Government Minister is looking to meet with pools over the next few weeks to set out any reservations regarding their submissions and next steps.
14. *Exit payments*: Discussions are underway with unions and the Department for Communities & Local Government (DCLG) on the pension elements of Her Majesty's Treasury (HMT) further reforms. The LGA will maintain a link with separate discussions on redundancy payments.
15. *MiFID Consultation*: The Government Actuary will respond on the impact of local authorities being classified as retail investors from 2018.
16. *LGPS valuations underway*: Employer costs will at best remain stable but could well see increases due to growing deficits.

Implications for Wales

17. The pay negotiations and pension policy sections above cover Welsh councils, whereas the strategic elements of the LGA's work do not directly apply to Welsh councils.

Financial Implications

18. The outlined activities are within the work programme and therefore have been budgeted for.

Next steps

19. Members are asked to comment on and provide a steer on the activities outlined.