

13 May 2019

## **Workforce update**

### **Purpose**

For information.

### **Summary**

This report summarises principal activity in the workforce team, notably negotiations for schoolteachers and the fire service, survey updates and post-Brexit migration rules.

### **Recommendation**

That members of the Resources Board note the update.

### **Action**

Any actions following the discussion will be taken forward, as directed by members.

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## Workforce update

### Negotiations

#### *Schoolteachers*

1. The National Employers' Organisation for School Teachers (NEOST) submitted its written response in January calling for a fully funded award in 2019. The remit for the School Teachers' Review Body particularly welcomed consultees' views on affordability and any further targeting of pay.
2. In both the written evidence and the subsequent oral evidence in March, NEOST's position and 'ask' was for a pay uplift across the board without targeting which must be fully funded. No specific uplift figure was proposed by NEOST, but the unanimous response from local authorities to NEOST's own consultation was that the increase needed to be more than 1%. It also stressed that the pay grant funding that covered the element of the 2018 pay award that was above 1% must be rolled up into National Funding Formula.
3. It is anticipated that Schoolteachers Pay Review Body will submit its recommendations to the Department for Education in May. In its evidence NEOST stressed the need for early consultation on the proposed changes, as in 2018 the consultation took place just as the school summer holiday period started.

#### *Fire service pay and broadening the role negotiation*

4. While a formal offer cannot be made without firm government commitment to additional funding, fire service National Employers recently made a proposal to increase pay levels in return for uniformed employees from firefighter to middle management broadening the scope of work undertaken subject to that funding being in place. This followed a lengthy period of negotiation and a claim for an uplift of 17 per cent. In terms of pay, the three-stage proposal would provide a cumulative increase of 13.57 per cent by 1 July 2021:

STAGE 1 – pay settlement year 2019/20	2.0 per cent with effect from 1st July 2019; and
	3.0 per cent with effect from 1st April 2020 (based on July 2018 rates)
STAGE 2 – pay settlement year 2020/21	4.0 per cent with effect from 1st July 2020
STAGE 3 – pay settlement year 2021/22	4.0 per cent with effect from 1st July 2021

5. The NJC is a UK-wide body and lobbying of all governments has been taking place to secure additional funding given fire and rescue authorities are clear they cannot afford to contribute more than 2.0 per cent in each year. Whilst currently more successful in some areas than others, that work is continuing. Current discussions with the Home Office are focussed on developing a way forward that it is hoped it could support to convince the Treasury.

6. The Fire Brigades Union decided to consult its members with a recommendation to reject the proposal and, should that position be backed, support to continue discussions. Its members rejected the proposal but are content for talks to continue.

#### *Local Government Services*

7. The two year pay agreement reached in 2018 included the introduction of a new pay spine in April 2019 to meet the challenge of the National Living Wage, as well as providing for more coherent differentials within the national pay framework. We conducted a survey in March to identify the extent to which councils would be implementing the new pay spine on time. The survey identified that for most councils agreements had already been reached with unions locally. Only 16 councils indicated that they would not be able to implement on time and the vast majority of those indicated the delay would only be one or two months. 43 councils identified possible wider changes to their grading structures identified as part of the implementation process that they are likely to pursue over the next two to three years.

#### **Surveys and data**

8. Work on three data exercises has been completed or is well-advanced:
  - 8.1 Annual workforce survey;
  - 8.2 Chief Executives' and Chief Officers' survey; and
  - 8.3 Government Equality Office gender pay pap reporting
9. This survey covers key metrics such as sickness absence and labour turnover that have been collected in consistent formats for a number of years, as well as an evolving range of questions on key workforce policy issues such as skills development and TUPE transfers. Fieldwork on the latest survey has been completed and a report is being prepared.
10. The survey achieved an overall response rate of 173 or 49 per cent of councils in existence prior to April 2019. This compares well with the response rate of 38 per cent to the previous survey.
11. From this year, some of the key metrics such as sickness absence will be collected regularly through the LG Inform database system. This will facilitate the development of a more effective HR benchmarking offer with "live" data and allow us to concentrate on key policy issues like recruitment, skills and reward in the annual survey.

#### *Chief Executives and Chief Officers survey*

12. The LGA had not conducted a survey of Chief Executives and Chief Officers since 2009 for resource reasons but a decision was been made to restart the survey because of a lack of demographic information on the senior officer cohort. As well as information on salary levels, the survey looked at gender, ethnicity, disability, age, flexible retirement and membership of the pension scheme. A report is being prepared.

13. The survey achieved an overall response rate of 151 or 43 per cent of councils in existence prior to April 2019. One headline finding in advance of the report is that 47 per cent of all Chief Executives and Officers sampled are female, whereas only 8 per cent are from black and minority ethnic backgrounds. For comparison people from BAME backgrounds form 12 per cent of the working age population.

#### *The Gender Pay Gap*

14. The second annual mandatory national reporting period for gender pay data has now been completed. All organisations with over 250 employees are required to report various analyses of their gender pay situation, including the difference between the mean and median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. 322 councils submitted data including 11 with under 250 employees that submitted voluntarily.
15. A quick summary report has been prepared and made available online. The headline point is that the mean pay gap in local government is 6.1% in favour of men (down from 6.8 per cent last year) and the median gap is 4% in favour of men (down from 5 per cent last year), which is all encouraging. There are wide variations however.
16. Councils will now want to focus on dealing with the underlying causes of occupational and career based differences. The LGA is arranging a conference in October which will be led by Cllr Taylor as Equality and Diversity Champion. The conference will cover ethnicity and disability as well as gender.

#### **Workforce Focus**

17. Using various data sources and an online consultation, the team has now published Workforce Focus. The primary aim of this document is to help senior HR professionals and their teams to develop local action plans for workforce improvement by providing facts and ideas. Workforce Focus can be downloaded [here](#).

#### **Brexit; post-transition - future migration rules**

18. In December 2018, the Government published its *White Paper proposals for a Future skills-based immigration system*. It accepts much of the advice from the Migration Advisory Committee (MAC). Key points and proposals include:
- 18.1 *Timing*: the system will be phased in by January 2021, assuming the Withdrawal Agreement is ratified and the transition period ends on 31 December 2020. (NB; If there is a 'no deal', the system could be in operation as early as 12 April 2019).
- 18.2 *£30,000 salary threshold*: MAC advised retaining the minimum salary threshold at £30,000. This will be subject to a consultation. A number of sectors, including local government, have registered their concerns regarding the salary threshold.
- 18.3 *Skilled workers*: There will be no cap on the numbers of skilled workers. This category includes intermediate skills, A level or equivalent (RQF 3-5 level), and higher - graduate and post-graduate, as MAC advised. Employers need to sponsor skilled migrants.

- 18.4 *Short-term workers at all skills levels:* Employers, including in social care and construction, which rely on lower skilled workers from the EU, will be given time to adapt to new immigration rules. Until 2025, a transition phase will allow workers who do not meet the salary or skills threshold to apply for short term work visas for up to 12 months. No sponsorship is required, but restrictions apply. These transitional arrangements will be reviewed by 2025.
- 18.5 *Potential effects in local government:* The proposed system could have significant implications for people providing local government services both directly employed and commissioned.
19. Social care is particularly vulnerable because it is increasingly reliant on EEA nationals with a 68 per cent increase between 2011 and 2016 – this amounts to 30,600 people. . The sector is already under considerable strain with a vacancy rate of eight per cent.
20. Moving a future EEA workforce to the Tier 2 route will have a significant impact on the sector, with large numbers of highly valued social care workers cut off by the proposed salary threshold. IPPR modelled the impact on EEA nationals currently living in the UK and working in social care and found that four in five (79 per cent) of EEA employees working full-time in social care would have been ineligible to work in the UK under the skills and salary thresholds proposed by MAC. Figures show that support and outreach workers, care workers, senior care workers and at least some registered nurses are likely to fall below the £30,000 level.
21. Beyond social care there are a number of directly employed roles in local government that have a clear skills element but are paid less than £30,000 based on maximums of observed pay scales identified in our national pay database, such roles include:

Assistant Financial Manager or Accountant
Assistant Team Manager Finance
Finance Officer or equivalent in Accounting
Building Control Surveyor / Officer
Building Control Technician
Compliance and Support Officer
Engineer
Engineering Technician
Environmental Health Officer
Environmental Health Technician (Food and Health and Safety or other equivalent areas)
HR Assistant / Administrator
HR Officer
IT Support Technician
IT Systems/Software Engineer
IT Technician
Legal Assistant

Legal Officer
Planning Assistant
Planning Officer
Procurement Project Officer / Procurement Officer
Procurement Support Assistant
Senior Accountant / Finance Officer or equivalent
Senior Engineer
Senior HR Officer
Senior Procurement Project Officer / Senior Procurement Officer
Social Work Support Assistant (Higher Level)
Social Work Support Assistant (Lower Level)
Newly Qualified Social Worker (children's and adults)

22. Although it is difficult to estimate the number of EU nationals in local government employment because there are no standard records, the LGA has identified several thousand through requests to councils for information via the regional employer organisations and there may be more than ten thousand in total.

### **Apprenticeships**

#### *Apprenticeship Accelerator Programme (AAP)*

23. The Apprenticeship Accelerator Programme (AAP) aimed to accelerate the development and implementation of apprenticeship programmes in councils by testing a targeted intervention and support system. An independent evaluation was carried out by Shared Intelligence. The experience of receiving the AAP support and its achievements were overwhelmingly positive for all councils covered by the evaluation.
24. Specific feedback indicated that AAP:
- 24.1 **improves or secured senior buy-in** in the majority of councils, with more senior leaders taking notice of and promoting the apprenticeships agenda;
  - 24.2 **provides clarity** on the issues councils needed to address to improve/grow apprenticeship delivery;
  - 24.3 **formalises internal approaches** through leads implementing processes and procedures within the council;
  - 24.4 **empowers and invigorates teams** as a result of having a clearer vision of the required tasks to meet set goals and having the tools to undertake those tasks;
  - 24.5 **improves awareness and understanding** by translating apprenticeship language into something more readily understood;
  - 24.6 **provides a time for focussed thought and reflection** due to the requirement for councils to dedicate time to carry out face to face meetings and tasks; and

- 24.7 **provides external validation** as a result of the LGA brand delivering the support. Put weight behind the apprenticeship agenda and raised its profile.
25. Additionally, 10 councils were able to record that the AAP had led to an increase of at least 480 apprenticeship starts in the AAP period.

*Apprenticeship Maturity Model (AMM)*

26. This is a self-assessment tool developed by the LGA to help understand councils' current performance and any progress made in terms of delivering apprenticeships. As a consequence of AAP support, councils reported progress across all dimensions of the AMM, with the best results in the areas of Leadership & Culture and Workforce Development.
27. *Examples of impact include:*
- 27.1 Devon County Council AAP support is focused on schools. The AAP approach has included: facilitating a Devon Schools survey on barriers to apprenticeships; significant workforce data analysis; mapping school roles to apprenticeships.
- 27.2 The "new" Dorset Council has set up Strategic Apprenticeship Project Board signed up to by the incumbent Chief Executive, Matt Prosser, to extend apprenticeships within the new Council and with external partners. An early adopter is a career pathway in Legal Services.
- 27.3 Birmingham City and Gloucestershire County Councils have established career pathways in Children's Services with an apprenticeships policy for new recruits.

*2019/20 planning*

28. Due to the positive impact of the LGA's work the Education and Skills Funding Agency are keen to expand the AAP to a further 40 councils in 2019/2020 with confirmation expected in June 2019.

**Implications for Wales**

29. There are no particular implications for Wales in any of the issues covered other than where pay negotiations cover Welsh authorities.

**Financial Implications**

30. There are no new financial implications for the LGA.

**Next steps**

31. Members are asked to note the report.