

RESOURCES BOARD – Report from Cllr Shaun Davies (Chair)

Workforce

Local Government Pay 2021

1. In June 2021, the National Employers made an improved, final pay offer to the unions representing the main local government NJC workforce. This offer included:
 - 1.1. With effect from 1 April 2021, an increase of 2.75 per cent on NJC pay point 1.
 - 1.2. With effect from 1 April 2021, an increase of 1.75 per cent on all NJC pay points 2 and above.
 - 1.3. Completion of the outstanding work of the joint Term-Time Only review group.
2. As the employers are acutely aware of the added impact that the pandemic is having on councils' budgets and future financial sustainability, this improved offer is final and represents the limit of affordability for most councils.
3. The employers also considered the unions proposals on the three non-pay elements of their offer and propose that joint discussions begin on:
 - 3.1 A national minimum agreement on homeworking policies for all councils.
 - 3.2 An agreement on a best practice national programme of mental health support for all local authorities and school staff.
 - 3.3 A joint review of the provisions in the Green Book for maternity / paternity / shared parental / adoption leave.
4. A key concern remains the challenge local government faces in maintaining headroom between the NJC's bottom pay point and the National Living Wage (NLW). This stems from the government policy to increase the NLW from 60 per cent of average earnings to 66 per cent by 1 April 2024. This percentage increase is higher than conventional pay awards, while 'average earnings' is not a known figure ahead of time so all planning must rely on increasingly erratic forecasts. This volatility makes it almost impossible to accurately predict the necessary increases required year on year to maintain the current level of headroom. As a result, the employers decided to offer a higher increase to employees on NJC pay point 1 to ensure we remain above the anticipated NLW rate on 1 April 2022.
5. The three local government unions (UNISON, GMB and UNITE) have completed their consultation ballots. [UNISON](#) has announced that its members have voted by a majority of 79 per cent to 21 per cent to reject the [National Employers' final pay](#)

21 October 2021

[offer](#) to local government services ('Green Book') employees. Its local government committee has also decided to begin preparations for an industrial action ballot.

6. Similarly, [GMB](#) members voted by a majority of 75 per cent to 25 per cent to also reject the final pay offer. It will shortly conduct a consultative industrial action ballot, the result of which will determine whether there is support to then hold a formal ballot for industrial action.
7. Finally, [Unite](#) members voted by a majority of 81 per cent to 19 per cent to also reject the final pay offer. 85 per cent also voted to say they are supportive of taking industrial action. Its local government committee met on 7 October to discuss next steps, which include holding a formal ballot for industrial action.
8. The National Employers will be meeting on 19 October to take stock of the situation. It is now likely to be some time before this dispute is settled and a final pay deal is reached.

Exit payments

9. The Ministry of Housing, Communities and Local Government (MHCLG) published [local authority exit payments \(first estimates\), England 2019-20 and 2020-21](#). This first summary of the exit payment data submitted by councils will be followed by a further publication in the coming weeks. Initial indications are that the average exit payment made in 2020-21 across local authorities was £26,000.
10. Following publication by HMT of guidance for central government departments in respect of special severance payments on 28 May, MHCLG issued a consultation on guidance to cover similar payments in local authorities. The consultation closed on 13 August 2021 and we expect the response from government together with final guidance to be published in October. You can read the response from the Local Government Pension Scheme Advisory Board (England and Wales) [here](#).
11. We understand that Departments were asked to submit proposals by mid-September 2021 for sector led reforms to exit payments (£95k cap) to replace the cross-scheme HMT regulations which were withdrawn earlier this year. LGA officers have been liaising with MHCLG officials on the implementation challenges of such an approach.

NJC Guidance on new working arrangements

12. The National Joint Council for local government services has issued [guidance on working arrangements](#) now that COVID restrictions have been lifted. The circular provides advice on face coverings, self-isolation, and considerations to be made for Clinically Extremely Vulnerable people when returning to the workplace.

Chief Officers and Chief Executives Pay 2021

21 October 2021

13. The National Employers have made final pay offers of an increase of 1.5 per cent on basic salary with effect from 1 April 2021 for both Chief Officers and Chief Executives. Lead members from the National Employers have met the employee side of both groups to confirm the final offers.

Police Staff Pay 2021

14. The National Employers have made a pay offer to the Police Staff Trade Union Side for 2021: a £250 consolidated increase to all police staff on pay points 7-18 of the PSC pay spine and a review of police force leave arrangements on a without prejudice basis. The Trade Union Side is undertaking a consultative ballot on the offer and will respond to the National Employers later this month.

Coroners' Pay 2021/22

15. An agreement has been reached within the Joint Negotiating Committee for Coroners to increase salaries and pay rates by 1.5 per cent, with effect from 1 April 2021.

Soulbury: Pay 2021

16. The Soulbury Officers' Side has submitted its pay and conditions claim for 2021. The headline element is for a 7 per cent increase and there is also a claim for a review of the pay structure and the work of Soulbury Officers during the pandemic. The National Employers have undertaken a consultation of local authorities and will respond to the Officers' Side later this month.

Youth and Community Workers: Pay 2021

17. The Joint Negotiating Committee Youth and Community Staff Side submitted its pay and conditions claim for 2021 which included a headline element for a 10 per cent increase. Following a consultation of local authorities, the National Employers rejected this but made an offer of 1.75% which is being considered by the Staff Side.

Teachers' Pay 2021

18. The National Employers' Organisation for School Teachers (NEOST) has submitted a response to the government's consultation on the School Teachers' Review Body (STRB) 31st report and the draft School Teachers Pay and Conditions Document (STPCD) 2021. The response, informed by the views of councils, supports the pay uplift for lower paid unqualified teachers (£250 pay award backdated to 1 September 2021), while highlighting our concerns about the impact of the pay pause for qualified teachers, which is likely to increase existing recruitment and retention difficulties of teachers and leaders.

Workforce Survey

19. COVID workforce survey has continued at the request of MHCLG, the latest report will be available at <https://www.local.gov.uk/covid-19-workforce-survey-research-reports>

T Levels

20. The Department for Education has announced that employers will be able to claim £1k for every T Level student they host on a high-quality industry placement, as part of a new incentive scheme. The LGA is providing [support to councils on T Level Industry Placements](#), promoting a 'just take one' campaign for councils to take on one young person to build a quality experience for both student and employer.

Apprenticeships: 2021 Survey Data

21. The LGA has completed its annual Apprenticeship Survey for 2021. The survey, now in its fourth year, has shown that councils created over 55,000 apprenticeships in our workforce in the last four years at an annual rate more than double that achieved before the apprenticeship levy was introduced in 2017. Councils are also creating significant numbers of apprenticeships with employers in their local communities via levy transfers. However, the survey also showed that councils have sent around £3.25m per month in unspent levy funds back to government since 'levy claw back' (where unspent funds expire after 24 months) began in May 2019.

Apprenticeships: Non-Maintained Schools in Pooled PAYE Schemes

22. Over 1,300 non-maintained schools in over 50 local authorities are currently unable to access apprenticeships funding due to their participation in Pooled PAYE schemes run by local authorities. Eighteen months ago, government made a change that required all employers to register for an account on the Digital Apprenticeship Service to access apprenticeships funding. A PAYE number is required to create such an account, but all employers on a Pooled PAYE scheme share the scheme host's PAYE number, cutting them off from funding. The LGA has been engaging with government for some time to find solutions, but so far, options put forward by the Education and Skills Funding Agency have not proved practical or cost effective for councils or schools. We are now in the process of writing to ministers to request progress on finding a resolution to this situation.

Workforce Planning Support

23. For the past year the LGA has been supporting councils to create Workforce Plans as part of our wider programme of support for Strategic Workforce Planning. From October, we will be able to support a further ten councils through this process.

Local Government Finance

24. The chancellor has [announced](#) a three year Spending Review and Autumn Budget will be delivered on 27 October. Overall total departmental spending will match the plans set out in the 2021 Spring Budget, which implies a 1% real terms cut to unprotected departments, although how that will be distributed between departments is a matter for the Spending Review. The LGA submitted our [response](#), which covered cost pressures facing councils in the coming period, as well as underlying pressures (such as adult social care provider market pressures and SEND deficits). Our submission also includes a proposal for a community investment fund for councils to support individuals and strengthen communities according to local priorities. The new health and social care levy is expected to generate £36 billion over the Spending Review period, £5.4 billion of which will be used to fund adult social care reform, in particular the implementation of a care cost cap, a more generous means test and paying a fair rate of care – the rest of the funding will go to the NHS.
25. The LGA [responded](#) to the Government's [consultation](#) on more frequent business rates revaluations, and will respond to the Government [consultation](#) on the central rating list which proposes expanding the central rating list to include several large, fixed line telecom networks, the Channel Tunnel Rail Link (HS1) and mobile phone networks. We also responded to the Government's [consultation](#) on how the new Audit Reporting and Governance Authority (ARGA) will undertake the system leadership role for local audit. In August the Treasury [published](#) guidance on the lending terms for the Public Works Loans Boards, which clarifies lending terms introduced for all new loans taken out after November last year. CIPFA also published the formal consultations on the revised wording to the [Prudential](#) and [Treasury Management Codes](#) which we are responding to.

Universal Credit

26. Members of the Resources Board wrote to The Chancellor, Rishi Sunak MP, to express their concerns about the impact on councils on communities on the end of the £20 per week uplift in Universal Credit. The £500m Household Support Fund that was announced on 29th September recognises the vital role of local welfare support. However, it is the LGA's view that the mainstream benefits system should provide the principal safety net for low-income households, enabling councils to target discretionary support to those who need it most. We therefore believe that the £20 per week uplift should be retained for as long as it is needed, to ensure that households can recover from the financial and employment impacts of the pandemic.

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