

Resources Board – Report from Cllr Shaun Davies (Chair)

Workforce

Local Government Pay 2021

1. The National Employers met on 19 October 2021 and agreed by a majority to reaffirm as full and final the pay offers made previously in respect of [local government services](#) ('Green Book'), [craftworker](#) ('Red Book'), [chief executives](#) and [chief officers](#). The final offer for the bulk of local government staff, covered by the 'Green Book' is:
 - With effect from 1 April 2021, an increase of 2.75 per cent on NJC pay point 1
 - With effect from 1 April 2021, an increase of 1.75 per cent on all NJC pay points 2 and above
 - Completion of the outstanding work of the joint Term-Time Only review group
 - A national minimum agreement on homeworking policies for all councils
 - An agreement on a best practice national programme of mental health support for all local authorities and school staff
 - A joint review of the provisions in the Green Book for maternity / paternity / shared parental / adoption leave
2. During September 2021, all three local government unions (UNISON, GMB and UNITE) consulted their memberships with a recommendation to reject the final offer. UNISON members voted 79 per cent to 21 per cent to reject; GMB members voted 75 per cent to 25 per cent to reject; and Unite voted 81 per cent to 19 per cent to reject.
3. In order for industrial action to take place, the law requires that there is a ballot of employees in accordance with strict legal requirements before industrial action is called for or endorsed. Only where such a ballot produces a majority in favour of industrial action and at least 50 per cent of those eligible to vote have voted will the action be lawful.
4. The ballot will only be effective for and mandate industrial action that takes place within six months, beginning with the date of the ballot (which is the date the ballot closes).
5. In previous disputes, all three unions have balloted members on an aggregated basis. This means that to take action, 50 per cent of their national memberships were required to vote. This time, we understand that one or more of the unions may operate on a disaggregated basis. This means that action could be taken at each organisation where a turn-out of over 50 per cent is secured (if members vote in favour strike action).
6. A timetable for the three unions to conduct ballots on industrial action was confirmed before Christmas. UNISON is conducting a formal ballot between 1 December and 14 January on an aggregated basis. Unite's runs 14 January to 17 February (24 February in Northern Ireland) and is understood to be on a disaggregated basis. GMB conducted a consultative ballot on a disaggregated basis that closed on 13 December (at time of

writing, no announcement has been made regarding the outcome of GMB's consultation).

National Living Wage and Public Sector Pay Freeze

7. As part of the recent Budget and Spending Review, government announced a 6.6 per cent increase to the National Living Wage (NLW), taking it to £9.50 per hour from 1 April 2022, as well as re-confirming their long-term ambition for the NLW to reach two-thirds of median earnings in 2024. The government also announced an end to the public sector pay freeze.
8. Removing the pay freeze remit for public sector pay review bodies in itself does not lead to a universal increase in public sector pay. Local government, fire and police staff pay awards are collectively bargained and affected by the budgets of those employers.
9. The reiteration of the target for the National Living Wage of 66 per cent of median earnings in 2024 provides confirmation of existing policy but the forecasts from the Low Pay Commission show that their central path leads to a NLW of £10.70 in 2024, 37p an hour higher than the forecast made in April this year.

Youth and Community Workers: Pay 2021

10. The National Employers have made a final offer of 1.75 per cent to the Staff Side on all pay points and allowances for Youth and Community Workers for 2021.

Soulbury: Pay 2021

11. The National Employers have made a final offer of 1.75 per cent to the Officers' Side on all pay points and allowances for Soulbury Officers for 2021.

Teachers' Pay 2021

12. The School Teachers Pay & Conditions Document (STPCD) 2021 sets out teachers' pay and was published on 1 October, becoming law on 22 October.
13. As a result of feedback from councils additional wording was included in the final STPCD to clarify the criteria relating to an allowance for tutoring under the catch-up program. This was as a direct result of the National Employers Organisation for School Teachers (NEOST) submission in September in response to the Government's consultation on teachers' pay 2021.
14. A reminder that all qualified teachers were included in the public sector pay freeze policy apart from a relatively small number of qualified teachers who earned below £24k attracting a £250 consolidated uplift. NEOST supports the uplift for lower paid unqualified teachers, whilst agreeing with the School Teachers' Review Body's conclusion that the pay freeze for qualified teachers is likely to increase existing recruitment and retention difficulties.

15. The School Teachers' Review Body (STRB) remit that this year covers a two-year pay period (2022/23 and 2023/24) was [published in December](#). The LGA consulted with local authorities to inform the national employers ([NEOST](#)) response to the STRB. This consultation concludes on 21 January 2022.

Exit Payment Reform

16. Discussions with DLUHC officials indicate that further proposals on exit pay reform will be forthcoming in 2022 and that such proposals will be specific to each department (in our case local authority severance and LGPS regulations) rather than the cross-government approach adopted in the withdrawn HMT regulations.

Transitional Pension Arrangements legal cases (Sergeant/McCloud)

17. Agreement has been reached between the LGA and the Fire Brigades Union on a Memorandum of Understanding and Framework in respect of pension Immediate Detriment issues related to the Sergeant/McCloud legal judgment. [A joint statement was issued to fire and rescue authorities](#) who will now consider adoption of the Framework.
18. Since the publication of the framework HMRC have proposed changes to the taxation of late lump sums. Discussions are continuing with FBU and Home Office to clarify the potential financial impact on Fire Authorities who use the framework.

Employment Relations Unit FAQs page updated

19. The [FAQ page has been updated](#) following the reintroduction of working from home and other changes in response to the Omicron variant in England from 13 December 2021.

Flexible Working

20. The Government (via the Department for Business, Energy and Industrial Strategy (BEIS)) recently consulted on 'Making flexible working the default'. The LGA responded to the consultation. You can read our response [here](#).
21. The headline proposal is to make the statutory right to request flexible working (i.e. request a change to working pattern or arrangements) a 'day one' right, rather than one subject to a 26 week qualifying service condition as it is now. The other parts of the consultation address associated aspects such as whether the current specified business reasons for refusing a request remain valid, whether employers who refuse a request should be required to provide alternatives, whether the statutory administrative process should be amended and what would encourage employees to request temporary changes to their working pattern.

Public Sector Apprenticeships Target

22. Government published the latest data set on public sector organisations' progress towards meeting the public sector apprenticeships target. This covered organisations' progress in 20/21 and across the four-year target period. The data shows that:

- 22.1 Local government created 12,227 apprenticeship starts in 2020/21, taking the sector to over 53,000 apprenticeships created since April 2017.
 - 22.2 Starts fell almost 23 per cent year-on-year from 2019/20, but were still over 1,000 higher than 17/18 and more than double the level the sector achieved before the target and apprenticeships levy were introduced in 2017.
 - 22.3 Apprenticeships created by local government in 2020/21 were equivalent to 1.2 per cent of our headcount against a target of 2.3 per cent. Over the full four year period (2017/18 - 2020/21) it was also 1.2 per cent, below the public sector average of 1.7 per cent.
 - 22.4 33 councils and combined authorities met their public sector targets across the full four-year period.
23. A further one-year public sector apprenticeships target has been in operation since 1 April 2021 and will run until 31 March 2022. We expect a new public sector target to run from 1 April 2022 to be agreed and announced by government some time during Q1 of 2022.

Apprenticeship Incentives Extended

- 24. Following lobbying by the LGA, government announced that the Apprenticeship Incentives will be extended until January 2022. The incentives, worth £3,000 per apprentice, were due to expire on 30 September but have now been extended for a further four months to 31 January 2022.
- 25. Employers can now claim the incentive payments for any apprentice that started their employment between 1 October and 31 January and being their apprenticeship before 31 March 2022. The application period is open until 15 May 2022. More information on how to apply is available [here](#).

Gender Pay Gap

- 26. The 2020/21 [LGA Research Summary Report – Gender Pay Gap](#) has been updated, based on the 5 October extended deadline. While there's a slight trend towards pay equalisation, in 52.6 per cent of English local authorities mean hourly pay rates for male staff are 5 per cent or more higher than female staff (51.4 per cent in 2019/20).

Wellbeing

- 27. Information and guidance on new hybrid working arrangements on the LGA website has been promoted to councils as well as ongoing promotion of an offer from the NHS in the Health Improvement Network about a wellbeing approach to managing musculoskeletal conditions.
- 28. The Employment Relations Unit have also developed a set of [FAQs](#) that cover some key wellbeing issues including managing clinically extremely vulnerable staff as

restrictions are eased, managing self-isolating staff and managing staff who have long covid.

Workforce and earnings surveys and data infographic

29. The latest update to the LGA's infographic presenting key workforce statistics for the local government sector is now [available on the LGA website](#).

Wellbeing web pages

30. We've updated our pages to ensure easier navigation. [Access our guides, links and best practice](#).

Local Government Finance

Provisional Local Government Finance Settlement

31. On 16 December the Secretary of State for Levelling Up, Housing and Communities published a [written ministerial statement](#) on the [Provisional Local Government Finance Settlement for 2022/23](#). LGA officers produced an [on the day briefing](#), highlighting key information from the settlement, which was sent to member authorities.
32. Funding announcements were in line with the outcome of the 2021 Spending Review, with a potential increase of 6.9% in Core Spending Power available to local authorities in 2022/23, assuming all local authorities raise council tax by the maximum allowable limit without a referendum. This includes:
- 32.1. An inflationary uplift in Revenue Support Grant and business rates multiplier compensation
 - 32.2. £4.6 billion of grants for social care including £700 million of additional funding (an inflationary uplift to the improved Better Care Fund, and a £636 million increase in the social care grant for adults and children's services)
 - 32.3. £162 million to support councils to prepare social care markets for reform and the fair cost of care
 - 32.4. £556 million of New Homes Bonus
 - 32.5. A one-off £822 million Service grant
 - 32.6. Continuation of the £111 million lower tier services grant and the £85 million Rural Services Delivery
 - 32.7. And council tax principles of:
 - 32.7.1. a core principle increase of 2% for all local authorities, with a 2% or £5 increase (whichever is higher) for shire districts.

- 32.7.2. an additional 1% adult social care precept (along with any unused flexibility from the previous year).
 - 32.7.3. a £5 increase for the 8 lowest charging fire and rescue authorities; and
 - 32.7.4. a £10 maximum increase for Police and Crime Commissioners.
 - 32.7.5. No referendum principles for Combined Authorities or Town and Parish Councils.
33. The Government announced its commitment to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources, and noted that the data has not been updated for a number of years. There was, however, no mention of the future of further business rates retention, the business rates reset, or new homes bonus reform at the settlement.
34. The settlement included no information on public health funding for 2022/23.
35. We [responded](#) to the settlement consultation by the 13 January deadline. The response was cleared by the LGA Chairman and Resources Board Lead Members.
36. The LGA Chairman and Group Leaders met the Minister for Levelling Up Housing and Communities on 11 January and summarised the main points we made in our settlement response. This included the pressures in adults and children's social care and special educational needs and the need for clarity on the scope, outcome and timetable for local government finance reform. The minister agreed to meet with the LGA Chairman and Group Leaders more regularly on the issues raised during the meeting.

Spring Statement/Budget 2022 submission

37. On 23 December 2021, the Chancellor [commissioned](#) the Office for Budget Responsibility (OBR) to produce an economic and fiscal forecast for Wednesday 23 March 2022. The Chancellor has not announced a formal Spring Statement or Spring Budget for the 23 March. We propose to send a letter to the Chancellor ahead of a Spring Statement/Budget. The letter would cover key topics including the need for a long-term sustainable funding settlement for local government, social care, levelling up and other key policy issues. This will be kept under review in case the need for fuller policy submissions becomes more appropriate.

CIPFA Prudential Code and Treasury Management Code

38. In the autumn CIPFA consulted on amendments to the Prudential Code for Capital finance and the Treasury Management code. These codes are two (of four) statutory codes that form the Prudential Framework for Capital Finance which enables councils to determine local capital investment free from centrally imposed controls, providing any borrowing is affordable. Following discussion at Resources Board, lead members cleared a [response on the Prudential Code](#) in which we raised a number of concerns about the clarity of what was being proposed and what effects this could have on councils, particularly on their property assets, investments and on income they rely on. In [our response on the Treasury Management Code](#) we raised concerns about how the changes to the Prudential Code would interact with and impact on treasury management.
39. Since then, officers have been involved in further discussions with CIPFA and with DLUHC. CIPFA took on board many of the comments we made and the revised [Prudential code](#) and [Treasury Management code](#) that were published in late December were much clearer than the versions consulted on. While the changes may appear to be minor, they have wider implications and address the LGA's most serious concerns.

Support for Low Income Households

40. The LGA has been working with councils and the Department for Work and Pensions on the future of local welfare support when the Household Support Fund comes to an end in March 2022.
41. The LGA hosted a round table with councils on 10th November. One of the key actions to come out of that session was a request from the sector for further improvement support on the role of councils in helping low-income households impacted by the cost-of-living crisis. The first of a series of action learning events will take place, with a commissioned delivery partner, on 16th and 17th February.
42. We are also hosting some joint focus group sessions on the future of local welfare with the Department for Work and Pensions during January.
43. We have submitted a response to the Work and Pensions Committee on Universal Credit and Childcare Costs, highlighting the benefits to the economy and to low-income households of removing barriers to entering or increasing work, in particular the requirement for UC claimants to pay childcare fees upfront.
44. We have submitted a response to the Levelling-Up, Housing and Communities Committee on Council Tax Collection. This submission references the work that the Resources Board is leading on 'fair and effective debt management', which includes engagement with a wide range of policy development and improvement work. For example, we are working with Cabinet Office on development of a cross-Government

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data-sharing pilot on vulnerable debtors, which will include sharing between councils and Government departments

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