

## Resources Board – Report from Cllr Shaun Davies (Chair)

### Workforce

#### *National Living Wage and Impact on Local Government Pay*

1. The Low Pay Commission (LPC) announced its latest forecast for the National Living Wage in April and work has been undertaken to understand the potential impact on local government pay.

#### *Local Government Pay 2022*

2. At the time of writing we expect the unions will lodge their pay claim for 2022-23 at the end of May or in the first week of June. The National Employers have now been in touch with the regional employer organisations and the WLGA and NILGA to arrange the formal pay briefings, which will take place between 14 and 27 June. National Employers will then meet in July to discuss and hopefully respond to the claim.

#### *Soulbury Officers (Soulbury Committee) – Pay 2021*

3. Agreement has now been reached for a pay award of 1.75 per cent for all officers within scope of the Soulbury Committee. The pay award is applicable from 1 September 2021.

#### *Youth and Community Workers (JNC Youth and Community Workers) – Pay 2021*

4. The National Employers made a final offer of a 1.75% pay increase to the Trade Unions in September 2021. The Trade Union Side (Unite, Unison, UCU and NEU) rejected the offer and issued a trade dispute. The National Employers continue to urge acceptance of the offer.

#### *Police Staff (Police Staff Council) – Pay 2021-2023*

5. The National Employers have made a final offer to the Trade Unions which is a 2.1% pay increase with effect from 1 April 2022 until 31 August 2023 and a £250 pay increase for those earning under £24,000 from 1 September 2021. This has now been agreed by the employees' side.

#### *Teachers' Pay 2022-23 and 2023-24*

6. The [DfE published their evidence](#) to the STRB in March. The proposals include an above 16% increase to achieve the Governments' policy of £30k starting salary over the next 2 years. A 3% increase for 2022-23 and 2% increase for 2023-24 is proposed for experienced teachers and school leaders. NEOST provided evidence at the oral STRB session this April and we will report back further on this process as it develops.

### *Schools White Paper*

7. [DfE has now published its Schools White Paper](#), giving councils powers to set up their own multi-academy trusts. In [the LGA briefing](#) we highlight that the White Paper is silent with regards the future of the School Teachers Pay and Conditions Document that is widely supported.

### *Public Service Pensions and Judicial Offices Bill*

8. The Bill gained Royal Assent and became an Act of Parliament in mid-March 2022. At House of Commons report stage an amendment proposed by Robert Jenrick MP, covering boycotts, divestment and sanctions (BDS) guidance for the Local Government Pension Scheme, was supported by the government. Following constructive discussions between officers, DLUHC officials and HM Treasury officials, satisfactory comfort was given in the final House of Lords debate around the intended use of the provision.
9. Provisions in the Act closed all final salary public service pension schemes as of 31<sup>st</sup> March 2022, ending the period of transitional protection that followed the 2014/15 reforms. We await the Department's response to its 2021 McCloud consultation on changes needed to the LGPS to implement the provisions of the Act.

### *Public Sector Apprenticeships Target Set to End*

10. Government has now confirmed that the Public Sector Apprenticeships Target, which has been in place for all public sector employers since 2017 ended on 31 March 2022 and will not be renewed. There will be no formal target moving forward but all public sector employers, including councils, with headcounts of 250 or more will be required to report annually on their progress. League tables will be created for each part of the public sector, including local government, to show progress, allow for benchmarking and drive behaviour.
11. Local government, including maintained schools, failed to meet the public sector target between 2017 and 2021, managing to create apprenticeship starts equivalent to 1.2 per cent of our collective headcount, against a target of 2.3 per cent. The inclusion of maintained schools – over whom councils have no control when it comes to recruitment, retention and development of staff – in the local government target dragged down our performance due to their lower levels of interest in apprenticeships. Had maintained schools not been included in the local government public sector target, our performance against that metric would have risen from 1.2 per cent to 1.6 per cent. All of this disguises what is actually a good performance from councils who created an average of 13,500 apprenticeship starts per year over the four-year period, more than doubling the number of apprenticeships created the year before the target (6,000 in 2016/17).

### *Apprenticeship Guides for Social Work and Social Care*

12. As part of our sector-led improvement offer for councils on apprenticeships, we have produced several documents highlighting apprenticeship opportunities in social care and social work. Drawing on work we have previously done in mapping local authority job roles to available apprenticeship qualifications, we have produced A-Zs of both social care and social work apprenticeships, showing which ones map across to apprenticeships in both fields and developed short 'pathway guides' that can help council officers visualize how apprenticeships can be used to aid in staff development and progression.

### *New Website for LGPS Members*

13. We have launched the new [national website for members of the LGPS](#) in England and Wales. The website has easy to use tools and calculators, helpful bitesize videos and improved search facilities and accessibility.

### *Annual Standards for Employers for Social Workers survey*

14. Our annual survey asking a number of critical questions about the experiences of social workers in England is now complete. A record number of 137 councils received their reports between January - March 2022 and we'll be publishing annual summary of this social worker health check soon. See our website for [more information about the Standards for Social Workers](#).

### *LGA response to consultation on disability workforce reporting*

15. After seeking local authorities' views we responded to the Government's consultation on disability workforce reporting and whether it should be mandatory. Local authorities had mixed views on the issues set out in the consultation and the response reflected that.

### *COVID-19 employment law FAQs*

16. The LGA's [COVID-19 employment law FAQs](#) have been updated following the publication of Government guidance on 1 April 2022.

## **Local Government Finance**

### *Queen's speech*

17. At its last meeting Resources Board received a verbal update on the [Queen's speech](#). Several local government finance related bills were announced:
  - 24.1 The Non-Domestic Rating Bill includes shortening the revaluation cycle from every five to three years from 2023, providing ratepayers with information on how their rateable value is calculated, and various rates relief.
  - 24.2 The Draft Audit Reform Bill which includes the formal establishment of the new statutory regulator, the Audit, Reporting and Governance Authority (ARGA), which will also act as the system leader for local audit.
  - 24.3 The [UK Infrastructure Bank Bill](#) which will finalise the creation of the UK Infrastructure Bank.

### *Levelling-up and Regeneration Bill*

18. The [Levelling-up and Regeneration Bill](#) contains changes to council tax and new proposals for local government capital finance risk mitigation, including new powers enabling the Secretary of State to intervene in individual local authorities to set borrowing limits or require that the local authority take a specified action.

### *Spring Statement*

19. On 23 March, [the Chancellor delivered the 2022 Spring Statement](#). Whilst there were no announcements about additional core funding for council services, councils did

receive £500 million to continue to provide targeted local welfare support to low-income households facing financial hardship via the Household Support Fund.

20. The LGA [issued a press reaction](#) as well as an [on-the-day bulletin](#).

#### *Council tax energy rebate*

21. Councils have been distributing the [Council Tax Energy rebate](#) from 1 April. Although DLUHC has not yet published data, we understand that it has now been paid to most direct debit payers. Councils are having to contact those not on direct debit. There have been extensive discussions about the details and administration of the scheme and new burdens arising from the scheme with DLUHC officials; an initial payment of £28 million has been made to councils.

#### *Online sales tax consultation*

22. Resources Board Lead Members approved a response to [HM Treasury's policy consultation](#) exploring the proposal for an online sales tax (OST). In our [response](#) we say that we support the introduction of an online sales tax, particularly as it would help to spread the range of the taxbase for business taxes. However, this should not be at the expense of business rates income.

#### *Cost pressures facing councils*

23. Several developments, including a spike in inflation and energy prices, along with accelerated growth in median earnings (which drives the benchmark for future National Living Wage increases), have meant that cost pressures at the time of the Spending Review now appear to be a significant underestimate.
24. LGA officers are reassessing future cost pressures in the light of these increased inflationary, pay and demand pressures and will continue to make the case for sustainable funding.
25. In addition, the LGA continues to push the Government to provide clarity on local government finance reforms such as the Fair Funding Review, business rates reset and the New Homes Bonus, and ensure no authority loses out from the Fair Funding Review.

#### *Business Grants*

26. The final payments of the Omicron Hospitality and Leisure Grant and the Additional Restrictions Grant were due to be made to businesses by 31 March 2022. This brought the total paid to businesses since March 2020 to over £22 billion. BEIS and local authorities are now working on reconciliation and assurance for the grant programme.

#### *Ukrainian arrivals*

27. As was reported to Resources Board, officers have been continuing dialogue with DLUHC officials over the financial implications of the Homes for Ukraine scheme and other arrivals from Ukraine. DLUHC has published [guidance](#) on the role of councils in the Homes for Ukraine.

## *UK Infrastructure Bank*

28. [The UK Infrastructure Bank](#) will have £4 billion over 5 years to lend to local authorities for high value and strategic projects of at least £5 million that support regional and local economic growth or tackle climate change. The bank is keen to engage with councils and made a presentation to Resources Board on how it will work with the sector.

## **Support for Low Income Households**

### *How councils are supporting people and communities affected by cost of living pressures*

29. Supporting households at risk of hardship remains a key priority for councils. Events including the war in Ukraine are continuing to have real and immediate impacts on the costs of living for households in England and Wales.
30. The LGA continues to highlight the need for the mainstream benefits system to provide the principal form of financial support for low-income households. Further discretionary funding through the Household Support Fund has enabled councils to provide much-needed crisis support in collaboration with Government and other key partners. The LGA continues to call for a more sustainable approach to both funding and joint working, which also considers long-term financial resilience and healthy, inclusive local economies.
31. Councils and the LGA recognise that this needs a collaborative approach across the sector. Led by Resources Board, the LGA is working across key areas including housing, employment, health, education, environment, transport and social care to ensure that we both address the immediate crisis, but also – for example through our work on ‘levelling up’ – strengthen the role of councils in reducing inequality and leading inclusive, successful and resilient local economies.
32. The LGA is delivering a wide range of work to inform both national policy and local delivery including a programme of action learning for councils to collaborate and develop their approaches to local welfare and financial support.

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