

Resources Board – Report from Cllr Andrew Western (Chair)

Workforce

Local Government Pay 2022-23

1. Pay claims have been received from the three NJC unions (UNISON, GMB and Unite) unions and staff sides representing Green Book employees, as well as claims from local authority Chief Executives and local authority Chief Officers.
2. The claim for Green Book employees seeks a '*substantial increase with a minimum of £2,000 or the current rate of RPI – whichever is greater on all spinal column points.*' The claim also calls for a COVID-19 recognition payment, a national minimum agreement on homeworking policies for all councils and the introduction of a home working allowance, an urgent review of all mileage rates currently applying, a review and update of NJC terms for family leave and pay, a review of term-time only contracts plus a reduction in the working week (without loss of pay) and an additional day of annual leave.
3. The separate pay claim for Chief Officers calls for, "*A substantial increase in rates of pay and all relevant allowances; taking into account private sector comparator pay rates and the cost of living crisis (as reflected in current 12-month inflation of 11.1 per cent)*".
4. The pay claim for local authority Chief Executives seeks, "*...a pay increase for all chief executives in April 2022 and subsequent years that is the same as the generality of local government staff*" as well as calling for a '*direct and immutable link*' for increases for April 2022 onwards to ensure that Chief Executives receive the same increase as the generality of staff covered by the NJC.
5. The National Employers will be meeting on 25 July to consider their response to the claims.

Pay 2022: 'Red Book' Employees

6. The National Employers' full and final pay offer to JNC Craftworker ('Red Book') employees (covering the period 1 April 2021 to 31 March 2022) has yet to be accepted by the two JNC unions, Unite and GMB. It remains to be seen whether they will lodge a separate claim for 2022.

National Living Wage (NLW) 2023

As the forecast increases to the NLW (current upper projection of £11.33 by 1 April 2024) are such that they will impact a much broader group of staff who work in areas covered by different government departments who may not have otherwise been aware of the potential problem posed by such huge increases in pay bills, a series of letters have been sent from the LGA to these departments to highlight the potential issues. The departments written to include HMT; the Department for Levelling Up, Housing and Communities; the Department for Culture, Media and Sport; the Department for Education; the Department of Health and Social Care; and the Home Office.

7. A response has now been received from Jeremy Pocklington, Permanent Secretary at the Department for Levelling Up, Housing and Communities, responding on behalf of all six departments and the LGA is in the process of following up on the response received.
8. Written evidence has now been submitted by the LGA to the Low Pay Commission as part of their consultation on NLW rates for 2023. The response details the challenges previously reported to Resources Board that local government will face in implementing the likely NLW changes and the wider effects for the sector including the spectre of job losses as service cuts.
9. Officials from the LGA Workforce Team have been invited to give oral evidence before the Low Pay Commission on 14 July 2022 which will provide us with an additional opportunity to expand on the issues highlighted in our written submission.

Fire Pay 2022-23

10. A pay claim has been received from the employees' side of the National Joint Council for Local Authority Fire and Rescue Services. This NJC covers firefighters and other uniformed employees including middle managers. The claim seeks an immediate and substantial pay increase to NJC rates of pay to begin to urgently address a gap of 'more than £4,000 to restore real wages lost over more than a decade of austerity' as well as a number of other issues relating to retained duty system firefighters and control staff, pay progression, continual professional development payments and the potential expansion of roles. The employers' side is now considering its response. The usual settlement date is 1 July.
11. A pay claim has been received from the officers' side of the National Joint Council for Brigade Managers. This NJC covers uniformed senior fire and rescue service managers at chief, deputy and assistant chief fire officer levels. The claim seeks 'an unconditional pay increase for all Brigade Managers, with effect from 1 January 2022, that is commensurate with all other fire and rescue staff in the UK'. The employers' side is considering its response. The usual settlement date is 1 January.

Soulbury

12. The Soulbury Staff Associations have submitted their pay and conditions claim for 2022. The headline is for a significant pay increase of at least nine per cent on all pay points.
13. The Soulbury Committee has issued guidance on employment arrangements for trainee educational psychologists.

Local Government Apprentice of the Year 2022

14. Chantelle Holt from North Norfolk District Council has been named as the 2022 Local Government Apprentice of the Year. Chantelle, who is a Revenues Officer and a Level 3 apprentice in Business and Administration, won the award by competing in a virtual day of challenges set to encourage participants to showcase their skills, expertise, and initiative.
15. Prizes were also awarded to two runners-up: Andrianna Antoniou (Dudley MBC) and Olivia Watts (Babergh and Mid Suffolk District Councils).
16. Finally, a team award was also presented to the winning team on the day (who were assessed on their performance in a communications task by a panel of comms professionals from across the sector). The members of the winning team were: Ruth Tunnicliffe (Derbyshire County Council), Sam Geden (Essex County Council), Joshua Coogan (South Cambridgeshire District Council), Sean Mclean (LB Camden), Macy Loasby (Sefton MBC), Hib El Barhdadi (Oxford City Council), Ackeem Hillman (Tunbridge Wells Borough Council),

Oliver Kearney (Torridge District Council), and Andre Russell (Warwickshire County Council).

17. The national event, now in its second year, was designed and delivered by South West Councils and the East of England Local Government Association with support from the LGA. More than 100 Level 2 and 3 local government apprentices from across the country took part in the one-day event, with activities which encouraged them to learn, network and showcase their skills, expertise, and initiative. Planning is already underway for the 2023 event. You can read more about the 2022 event [here](#).

Supporting councils provide young people with T Level Industry Placements

18. The LGA, in partnership with the Gatsby Foundation and in association with the Department of Education are providing support to help councils host T level Industry Placements.
19. Technical Levels (known as T levels) are the new post 16 technical qualification aimed at 16–19-year-olds. They are replacing all existing technical qualifications over the coming years. Students will be faced with a new choice post GCSEs taking either A levels, an apprenticeship or a T level (equivalent to 3 A levels). T levels require a student to complete 45 days (315 hours) work placement (known as an Industry Placement) with a local employer.
20. We are currently working with 38 councils who have pledged to provide 233 placements from September 2022. We have capacity to support up to 75 councils direct through this programme but are also providing advice and guidance to all local authorities as well as giving them access to an employer T level Toolkit. This work forms part of a wider programme of careers support to councils to help them engage with young people from their local community. Part of this work, planned for later this year, includes new materials and information aimed at 14-16-year-olds in schools so they can better understand job and careers opportunities in local government.

LGPS annual report

21. The Scheme Advisory Board has published the [2020/21 scheme annual report](#). The report brings together data from the 86 individual administering authority annual reports. It provides a scheme wide picture about the status of the LGPS in England and Wales.

Special severance payments: statutory guidance

22. The Department for Levelling Up, Housing & Communities (DLUHC) has issued [statutory guidance](#), which applies to councils in England and other "best value authorities" when making Special Severance Payments to employees. It includes a process for approving those payments and full details of the implications for councils and others are in our [advisory bulletin 702](#). We continue to work with DLUHC to clarify some of the points in the guidance.

Pilots of the LGA's Emergenetics Offer

23. Our new Emergenetics offer is being developed, giving five local authorities the opportunity to take part in pilot sessions. Each team will receive individual psychometric profiles, and training on how to utilise these tools to work more effectively together. Further information on how to apply can be found [here](#).

Local Government Finance

Council funding

24. At the LGA annual conference, we launched a [new set of analysis on the cost pressures](#) facing local government. This updated analysis reflects changes to the financial situation of councils since the last projections in October 2021 due to higher rates of inflation and increased energy costs, and new National Living Wage rates. The analysis shows councils cost pressures have increased and will be £3.6 billion higher in 2024/25 than expected at the time of the 2021 Spending Review. This leads to unfunded cost pressures of £1.4 billion in 2022/23, growing to £4.5 billion by 2024/25 (in comparison to a 2021/22 starting point and keeping services at pre-pandemic levels of access and quality).
25. This is mostly driven by inflation increases and a sharp upward revision of forecasted National Living Wage levels to come into effect from April 2023 and April 2024.

Council tax

26. Councils have been distributing the [Council Tax Energy rebate](#) from 1 April. Although DLUHC has not yet published data, officers understand that it was paid to most direct debit payers by the end of May. Councils are contacting those not on direct debit and other eligible groups such as some students, who are eligible for the scheme although they are exempt from paying council tax. 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. DLUHC plans to conduct a wider, more detailed new burdens assessment in due course.

Business Rates

27. A consultation on [arrangements for transitional relief](#) for businesses to help them move to new bills following the 2023 revaluation was published by DLUHC on 30 May. This closes on 25 July. The LGA's response is due to be signed off by Lead Members of Resources Board.
28. The Non-Domestic Rates Bill, which as was reported in your last Chair's report, was announced in the Queen's speech, has, when this report was drafted, yet to be introduced but it is still expected before the Summer Recess.

Capital

29. Following a [consultation](#) earlier this year on proposed changes to the regulations underpinning the Government's [Statutory Guidance on Minimum Revenue Provision \(MRP\)](#), we have been undertaking further discussions with DLUHC over the concerns that we raised in our [response](#). The proposed changes could have had unintended consequences, for example affecting councils' ability to invest in infrastructure and housing via wholly owned companies and have serious impacts on some council's revenue budgets (the Government estimated this cost could be as much as £700 million). Following these discussion DLUHC has now sent a revised set of proposals to all those who responded to the consultation. We believe that the revised proposals address the serious concerns raised and have responded appropriately to the [survey](#) on the revised proposals,

Local audit

30. Local audit continues to experience significant complex problems. Recently, Resources Board Lead Members agreed a [response](#) to an [urgent consultation](#) from CIPFA on proposals for temporary changes to the accounting code. These proposals are to provide a temporary solution to a new problem that has arisen regarding auditor interpretation, under the accounting code, of the valuation in council accounts of infrastructure assets. While CIPFA's proposals should provide a temporary solution to this new problem and this will give time for a permanent solution to be found, the underlying problems causing widespread audit delays remain and we continue to push for longer term solutions to those with the government and other stakeholders

Support for Low Income Households

Household Support Fund

31. The Chancellor announced a continuation of the Household Support Fund in the Spring Statement, with funding extended until the end of the financial year (March 2023). The Department for Work and Pensions (DWP) has not yet finalised the guidance for the final tranche from September to March. The LGA has been working with councils, partners and DWP officials to make the case for greater flexibility.
32. Senior Public Health experts are raising increasing concerns about the health and wellbeing of older people this winter, as a likely covid resurgence combines with cost-of-living pressures. We are discussing with councils and Government how best to identify those most at risk and put effective, preventative support in place. This should include prioritising these households for retrofitting and simple energy efficiency measures. We are also making the case for councils to be able to use Household Support Fund, including the current tranche, more flexibly to enable them to target financial support where it is needed most during the colder months.

Cost of Living

33. We have delivered a programme of action learning with councils, in partnership with Shared Service Architecture, which has led to a range of proposals for developing and strengthening local support and provision for residents in or at risk of poverty, and for those most affected by cost of living pressures. We will be integrating this learning and delivery with the wider advisory network we are putting in place.
34. Both the People and Places Board and the City Regions Board contributed views on the priorities for addressing cost of living pressures at their most recent meetings. These will be built in to the LGA's cross-cutting work, led by Resources Board. All Boards will be engaged in due course and member advisory group is being established as part of the wider network.
35. Cllr Sharon Taylor chaired a very well-attended workshop with the [Poverty Truth Network](#) at the LGA annual conference, exploring the use of local poverty truth commissions. She was joined by colleagues including Christine Isaacs, a local commissioner from Leeds, and Cllr Drew Mellor, Leader of Bournemouth, Christchurch and Poole Council, which is currently setting up a commission.

Debt and financial inclusion

36. Civil enforcement and debt advice providers have come together with other partners to set up an [Enforcement Conduct Board](#) (ECB), which will aim to drive out poor practice in the debt management sector. The Board has appointed Catherine Brown as its chair and will be officially launched in the autumn. The LGA has been working with the ECB to discuss how

its work can be effectively integrated with councils' work to strengthen local debt recovery, including integration with our proposed debt maturity framework.

37. Proposals for a debt maturity framework, enabling councils to benchmark and identify areas for improvement, support and collaboration in fair and effective debt management, have been set out as part of the LGA's more detailed proposals for discussion with the Department for Housing, Levelling-Up and Communities (DLUHC) as part of this year's LGA improvement offer.
38. Fair 4 All Finance are moving into the next phase of piloting and implementing the [No Interest Loans scheme](#), supported by HM Treasury. Some councils are already working in partnership with community finance providers who are part of the scheme, including one council which is implementing a consolidation loan scheme. The LGA is working with Fair 4 All to identify and publicise further opportunities for partnership working and referral routes as the scheme expands.

Welfare Delivery

39. The DWP has now completed the first phase of its 'Move to UC' pilots in Medway and Bolton, which begins the process of moving all those who remain on legacy benefits on to Universal Credit by 2024. They are keen to continue to engage with councils and the LGA on the most appropriate way to support vulnerable claimants through the process, particularly as not all legacy claimants will be better off on Universal Credit in the long term. This is because the welfare reforms that underlie Universal Credit are based on different principles and incentives from the preceding benefits. They are currently engaging with councils and partners to identify the locations for the next phase of implementation.

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