

Resources Board – Report from Cllr Pete Marland (Chair)

Local Government Finance

Spring Budget 2023

1. In advance of the Chancellor's Spring Budget, we wrote to the [Chancellor of the Exchequer](#) setting out the priorities for local government where public finance interventions would help councils remain financially sustainable and deliver on shared priorities. We set out the sector's challenges with increasing costs and demand in social care, housing, homelessness, and culture and leisure services. We also highlighted opportunities for greater fiscal and political devolution, particularly around net zero.
2. The budget will take place on 15 March, and the LGA will circulate an on the day briefing highlighting the key issues for local government.

Final Local Government Finance Settlement 2023/24

3. We issued a [response](#) to the [Final Local Government Finance Settlement](#), which was published on 6 February accompanied by a [Written Ministerial Statement](#). The final settlement was broadly in line with the [provisional settlement](#), although there was a small increase in Core Spending Power (CSP) of 9.4 per cent from to 9.2 per cent, mostly due to reflecting referendum principles for fire and rescue authorities and the Greater London Authority (GLA) which were not included in CSP in the provisional settlement, and increases in the Rural Services Delivery Grant and the Services Grant.
4. We issued Parliamentarians with a [briefing](#) ahead of the debate on the settlement which was based on the LGA's [response](#) to the provisional settlement. The settlement was approved by Parliament on 8 February.

Public Accounts Committee inquiry – timeliness of local auditor reporting

5. We issued a [press statement](#) in response to a report by the National Audit Office (NAO) [on the timeliness of local auditor reporting](#). This is a progress report following up from a [report published in March 2021](#). We agreed with the NAO's conclusion that local audit is in crisis with only 12 per cent of 2021/22 accounts being finalised in line with the extended timetable for the completion of audits, despite most councils completing their draft accounts on time. While some progress has been made in addressing some of the underlying issues, we have called on the Government to set out a detailed timetable by which it expects to restore timely audited accounts. Following the publication of the NAO report, the

Public Accounts Committee (PAC) has launched an [inquiry into this subject](#). We will be submitting written evidence to this.

6. On the linked subject of Local Government Pension Scheme fund accounts, which are separate to but contained within the administering authority's accounts, the Local Government Minister Lee Rowley has recently [written to the Scheme Advisory Board Chair](#) advising that he has asked his officials to look into the possibility of separating pension fund accounts out from main council accounts, in order to minimise the impact of audit delays on the pension fund annual report and accounts. This mirrors what already happens in Wales.

Consultation on deadline for draft accounts

7. Between 16 February and 2 March DLUHC ran a two week [consultation on the deadline for draft accounts of councils to be completed](#). DLUHC proposed that the deadline should revert to 31 May for the 2022/23 accounts. This is despite the deadline for audited accounts being extended by two months for the next 6 years. Resources Board Lead Members cleared [a response](#) to this arguing the deadline for draft accounts should continue to be extended, at least until 30 June.

Workforce and Pensions

LGS NJC Pay 2023 - 24

8. Work on the LGS ('Green Book') NJC 2023-24 pay round has begun, with a series of regional pay briefings being held between 6 and 15 February. The briefings are led by the LGA Workforce Team and are designed to give context and background to councils, setting out the negotiating process, economic context and providing an opportunity for councils to share their views.
9. The pay claim from UNISON, GMB and Unite was received on 30 January and is for:
 - RPI (the unions are citing 10.70 per cent) + 2.0 per cent on all pay points
 - Consideration of a flat rate increase to hourly rates of pay in order to bring the minimum rate up to £15 per hour within two years
 - A review and improvement of NJC terms for family leave and pay
 - A review of job evaluation outcomes for school staff whose day-to-day work includes working on Special Educational Needs (SEN)
 - An additional day of annual leave for personal or well-being purposes
 - A homeworking allowance for staff for whom it is a requirement to work from home
 - A reduction in the working week by two hours
 - A review of the pay spine, including looking at the top end, and discussions about the link between how remuneration can be used to improve retention

Local government pay 2023

10. The National Employers met on 23 February and agreed unanimously to make a final, one-year (1 April 2023 to 31 March 2024) pay offer to the unions representing local government services 'Green Book' employees. The offer would provide all employees with a pay increase of at least £1,925 per annum from 1 April 2023, which for the lowest paid (currently earning £20,441 per annum) equates to an increase of 9.42 per cent; meaning their pay will have increased by £4,033 (22.0 per cent) over the two years since April 2021. For those on all pay points above the top of the pay spine, an offer of 3.88 per cent has been made.
11. As explained in great detail at the recent regional pay briefings, the main issue to influence the employers' position has yet again been the continuing challenge of how to deal with the relentless pressure from the proximity of the National Living Wage (NLW) to the bottom of the NJC pay spine. The National Employers are eleven senior elected members, many of whom are, or have been, Leader of their council. As such, they are all acutely aware of the additional pressure this year's offer, which would need to be paid for from existing budgets, will place on already hard-pressed finances, especially for those councils and schools with large numbers of employees on the lower pay points. However, they believe their offer meets the NLW challenge (at least in the short-term) and is fair to employees, given the wider economic backdrop.
12. The National Employers also made separate, one-year final offers to the Staff Sides representing local authority Craftworker ('Red Book') employees, local authority Chief Officers and Chief Executives. I shall continue to keep you informed of developments.

Local Authority Chief Executives' and Chief Officers' pay

13. Final offers made by the National Employers for a £1,925 increase on basic salary for both Chief Executives and Chief Officers, backdated to 1 April 2022, were accepted in November 2022.
14. On 31 January 2023 we received from ALACE its 2023 pay claim for local authority Chief Executives. Among other items, the claim is for a "pay increase for all chief executives in April 2023 and subsequent years that is the same as the percentage increase for the top point on the scale for local government staff covered by the National Joint Council for Local Government Services."
15. On 7 February we received the 2023 claim from the Staff Side of the Chief Officers' JNC. It seeks, "a pay increase of "RPI (the unions are citing 10.70 per cent) + 2.0 per cent on all pay points." In addition, "an additional day's leave (from 1 April 2023), plus another additional day of annual leave for personal or well-being purposes."

Local Authority Craftworkers ('Red Book') Pay 2022-23

16. Agreement was reached on 10 November 2022, backdated to 1 April 2022, for an increase of £1,925 on basic salary and 4.04 per cent on allowances.
17. We are yet to receive a 2023 claim from the Trade Union Side of the Craft JNC.

Youth and Community Workers: Pay 2022-23

18. A final one-year pay offer of an increase of £1,925 on all pay points and an increase of 4.04 per cent on all allowances (both with effect from 1 September 2022) have been accepted by the Staff side.

Soulbury Officers (Soulbury Committee) Pay 2022-23

19. The National Employers' final offer of a one-year increase of £1,925 on all pay points and an increase of 4.04 per cent on all allowances (with effect from 1 September 2022) has been rejected.

Coroners' Pay 2022

20. Following consultation, the management side of the JNC for Coroners made an offer to increase local salaries and day rates for individuals, derived from the JNC arrangement, by 1.56 per cent (with effect from 1 April 2022). Agreement has now been reached on this award.

School teachers' pay 2022/23 & 2023/24

21. The School Teachers' Review Body's (STRB) 2023 remit was published on 15 November 2023.
22. The LGA consulted local authorities in order to inform the national employers (NEOST) evidence and this was submitted in line with the original timetable. However, we were informed that the timetable was being extended, which means that evidence from statutory consultees (including NEOST, DfE and Trade Unions) has not yet been published. We continue to await an update.

Police Staff (Police Staff Council) Pay 2022-23

23. Agreement was reached within the Police Staff Council in December 2022 for a revised pay settlement, which in accordance with a previously agreed re-opener clause, resulted in all PSC pay points (i.e., pay points 7 – 45) being increased by £1900 over the period 1 April 2022 to 1 September 2023. The revised pay settlement incorporated the 2.1 per cent increase which had been agreed from 1 April 2022, providing for £1900 extra pay over the period 1 April 2022 to 31 August 2023.

Fire Services Pay

24. Fire Brigades Union (FBU) members, which includes firefighters, voted to undertake strike action in seeking a pay offer above the 5 per cent offered within the UK-wide National Joint Council for Local Authority Fire and Rescue Services (NJC).
25. A further consultation meeting was held with fire and rescue authority chairs, chief fire officers and Police, Fire and Crime Commissioners before a formal meeting of the NJC on 8 February. At the NJC meeting, members of the employers' side were mindful of a number of factors including the serious concerns raised within the consultation meeting of the damaging effects of strike action both for the public and fire and rescue service culture and relationships. Following intensive discussions, the National Employers agreed to make the following offer:
- A 7 per cent increase on all basic pay rates and Continual Professional Development payments with effect from 1 July 2022
 - A 5 per cent increase on all basic pay rates and Continual Professional Development payments with effect from 1 July 2023
26. The FBU are consulting their members with a recommendation to accept this offer. The consultation closes on 6 March 2023.

Capacity Challenges facing councils

27. The scale and complexity of the workforce capacity challenge in local government continues to be a strategic focus for the LGA as our most recent press release on this matter highlighted last month. Councils continue to raise their capacity challenges with us and we have made that a key focus for our activity. At the LGA conference in the summer we discussed the capacity challenges, and we continue to work with government departments and other key national stakeholders to raise the importance of increasing investment in the LG workforce. The programmes and support highlighted below are provided in this context.

Recruitment and Retention Support

28. Our guide capturing best practice in recruitment and retention strategies was published in January focusing our recruitment "6 Ps" model, which contribute to approaches dealing with the capacity challenge across local government.

Social Care Workforce

29. The LGA continues to provide support to councils and the wider social care sector employers through our Partners in Care programme delivered in partnership with ADASS and skills for care. Recently work has included a focus on workforce retention providing guidance for local authorities and providers to

support retention of the adult social care workforce see - top tips and resources to support the implementation of staff retention measures.

30. The LGA produced an Integrated Workforce Thinking resource produced in partnership with NHS Employers and Skills for Care, and has recently added the lessons learned from the One Devon Partnership. This case study from Devon sets out how the partnership is transforming care for current and future generations.

Children's Services Workforce

31. The LGA is developing a guidance tool for children's services teams to improve workforce practices. This tool is being developed to support both the Director/ Head of Human Resources (HR) and Director of Children's Services (DCS) to collaborate effectively and develop a shared understanding and vision to achieving best outcomes for children and their families by improving workforce practice.

Family Hub Workforce Support

32. The LGA is working with supporting 15 of the 70 councils who have been provided funding to develop local family hubs. Family Hubs are centres which, as part of integrated family services ensure families with children and young people aged 0-19 receive early help to overcome a range of difficulties and build stronger relationships. The support to date has provided a self-assessment tool and workforce resource to help the newly established family hubs baseline their approach and learn from the early adopters.

Employer Standards for Social Workers, OTs and Health professionals (Health Check) Survey

33. The survey for 2022 has now closed, and it has received over 15,000 responses from 150 organisations. For the first time in February, councils will be able to log into an online portal to view their survey results and each council will receive an individualized report to understand the experiences of their workforce. National and regional reports will be available in March on the LGA website.

Employment Relations Unit Update

34. The ERU team have updated our information around industrial action ballots, FAQs, notice periods, and picketing. We have continued to provide specific updates on key employment law and case matters e.g., further updates regarding the BRAZEL consultation, a range of on-line webinars on employment law, support to councils going through LGR with advice on TUPE etc, various legal/policy advice direct to councils and specialist support to schools through our education employment law online events working with regional employers.

Apprenticeship Programme

35. The LGA continues to provide support to councils on practice and policy aspects of getting the best return on council's levy investment. This includes a practice network of over 500 members, webinars, guidance and advice.
36. The 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:
- Local government created 12,227 apprenticeship starts in 2020/21, taking the sector to over 53,000 apprenticeships created since April 2017.
 - 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.
 - 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.
 - 33 councils and combined authorities met their public sector targets across the full four-year period.
 - The main reason councils missed their targets was the inclusion of maintained schools in the target – these schools created just over 20% of the apprenticeship starts they were expected to, leading to underperformance.
37. 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 sometime during Q1 of 2022.

LGA Apprenticeships Survey 2022

38. As part of our apprenticeship programme we gather data insights to support our work and representation to government and share progress across the sector. This year we have delivered two apprenticeship surveys. The surveys closed in January, the annual survey for local authorities focusing on organisational matters saw 171 councils respond, a new record turn-out. Our Apprentice Health and Wellbeing Survey, run for the first time this year and targeted at apprentices in the sector, saw almost 4,000 apprentices from over 150 local authorities take part. The data is being analysed and national reports will be available for both surveys in early March with regional and individual council reports available later in the month.

Early Careers Programme

39. LGA Workforce Team provides a programme to help councils promote local government as a career destination. The work includes a 2-year project to provide support to councils to work with their local T level provider to provide T level industry placements to 16-19 years olds. Launched in December 2021 we have supported over 50 councils to be early adopters of the T Level to provide industry placements. LGA workforce team see T levels as an ideal way for councils to engage and attract local young people into a job and ideally a career in local government. The programme is supported by a joint partnership between Gatsby Charitable Foundation, Department of Education and the LGA.
40. LGA is working in partnership with Youth Employment UK and provided Careers information to promote the sector to schools and young people under 19. This will include virtual work experience and on-line materials. A beta site is in development

Supporting Organisational Development (OD) Culture & OD Exchange (CODE)

41. The LGA runs a thriving network of OD practitioners with over 200+ members sharing practice and progress to save time and money on delivering initiatives. This national network called CODE is delivered in partnership with West Midlands Employers Organisation and provides on-line collaboration platform, sharing documents, policies, advice and guidance.

Workforce Planning Support Programme

42. The LGA provides support to councils to improve how they undertake workforce planning. We run a practitioners' network of over 100 workforce planners sharing approaches and using the LGA's workforce planning guidance and model. The programme delivers online workshops as well as direct support to councils. In 2022-23 the LGA provided support to Adult Social Care teams in 9 councils helping them to better understand their workforce data so they could plan and take the most appropriate actions to address short- and long-term needs. The LGA is currently supporting a workforce planning pilot project across Essex to address acute town planning skill shortages.

Equality, Diversity and Inclusion

43. LGA workforce have run a series of EDI round tables this year, bringing together practitioners in interactive workshops to do deeper dives into the Diverse by Design steps. Running this "let's talk about..." series every month, we ran a wellbeing themed interactive workshop on the alternate month.

Workforce Surveys – Improving data and workforce insights

44. The LGA is part of a NARE project to improve workforce data in 2023. Working with DLUC and directly with councils NARE are committed to improving data collection, sharing and reporting progress.

45. The LGA published the latest Local Government Workforce Survey in January 2023. The report provides information on key elements of the workforce within local authorities in England and demonstrates the challenge across the workforce.

Pensions

46. On 30 January 2023 DLUHC issued an 8 week consultation on changes to the Local Government Pension Scheme regulations that govern the Scheme Advisory Board's (SAB) scheme cost management process. This is the process that operates separately from but alongside the quadrennial scheme-level cost management process, which is based upon HM Treasury legislation. The consultation follows the report from the Government Actuary's Department into changes to the HM Treasury cost management process, and the resulting policy and legislative changes set out in HM Treasury's response to that report. It acknowledges the differences between the HMT and SAB processes but proposes measures suggested by SAB in its consultation response to better integrate the two processes. The consultation closes on 24 March 2023 and SAB expects to respond favourably.
47. On 10 February 2023 DLUHC issued a short (2 week) technical consultation on changing the in-scheme revaluation date from 1 to 6 April, with effect from 1 April 2023. The proposed change will remove the impact of high inflation on the annual allowance calculation, and will reduce the number of Local Government Pension Scheme members incurring a tax charge. The consultation closes on 24 February 2023. The government also confirmed that the September 2022 rate of CPI (10.1%) will be used to revalue and uplift pensions for the 2023/2024 year.

Support for low income and disadvantaged households

48. Household Support Fund – on 21 February 2023 the Department for Work and Pensions (DWP) distributed the confirmed funding of £842m (April 2023 to March 2024) to County and Unitary councils in England
49. The department also issued [revised guidance](#) to councils. The LGA worked closely with councils and government to make recommendations for improved guidance, that would enable the councils to use the funding as flexibly and effectively as possible. We were very pleased to see that our key recommendations had been addressed, including removal of the preclusion on using the funding for advice provision.
50. We continue to make the case for this funding to be put a more sustainable footing, to ensure that councils continue to be able to provide crisis support

where it is needed, and are working towards strengthening financial wellbeing and resilience across their communities.

51. We continue to develop the content of our Cost of Living Hub, which has become a valued resource for councils and partners. In January and February we added four 'spotlight case studies', which looked at councils' cross-cutting approaches to supporting their communities with the rising cost of living. [The first four case studies are from Leeds, Stockton-on-Tees, Kirklees and Brighton & Hove.](#) Further case studies will be added over the coming months, and we continue to work across the sector to capture and share learning, innovation and effective practice.

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