

Meeting: Executive Advisory Board

Date: 9 March 2023



Workforce capacity in local government

Purpose of report

For direction.

Summary

This report outlines a proposed approach for LGA policy and improvement activity to support councils to address workforce capacity challenges in local government and seeks the Board's feedback to inform prioritisation of resources.

Recommendation

That the Executive Advisory Board:

1. Review and comment on the approach, proposed in this report, for the LGA to support councils to address workforce capacity challenges.
2. Note that consideration needs to be given as to how this activity can be resourced, in light of other LGA Business Plan priorities.
3. Agree that the LGA communicate more widely concerns relating to the local government workforce capacity challenge.
4. Agree that while Resources and other policy boards will oversee detailed action as appropriate, the LGA's Chairman and Group Leaders will maintain an overview of progress in addressing workforce capacity challenges.

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Workforce capacity in local government



Background

1. The local government workforce is larger and more varied than is generally perceived. There are over 1.3 million people working directly in local government and many more working for outsourced service providers or related employers. With 800 different professions within the local government remit, the sector is arguably the most occupationally diverse in the country. Costing councils over £20 billion a year, the local government workforce is generally held to be the sector's greatest asset and most significant cost.
2. In the current cycle of meetings, all of the LGA policy boards have considered a report on the scale and complexity of the workforce capacity challenge in local government. The boards were asked to consider priority issues for future policy and improvement activity in the context of existing work in this area, to inform a report to Resources Board on 28 February, and to this Board. This could lead to refocusing or reprioritising of LGA activity.
3. All of the boards have identified significant workforce capacity challenges in relation to service areas within their terms of reference. A summary of the issues identified appears at Appendix 1. This paper reflects comments and recommendations made by Resources Board on 28 February 2023.

The LGA's role: a strategic approach

4. It is proposed that the LGA increase its focus and activity on work with councils to address the sector's workforce capacity challenges, ensuring that this planned approach includes an appropriate combination and balance of activities which:
 - i) support councils to address immediate workforce challenges;
 - ii) address factors which impact on councils' ability to address workforce issues;
 - iii) identify and implement medium to long term solutions.
5. LGA will identify those activities which councils are best placed to deliver with support as appropriate, where the LGA should work with others, and where it can be most effective in taking the lead.
6. Executive Advisory Board is asked to consider whether the proposed approach set out below achieves an appropriate balance between the aims set out at paragraph 4, above.

Medium term: identify solutions necessary to address the nature and scale of the challenge for each profession/ service area and develop a plan to support their implementation

7. Officers have mapped work already underway in relevant services and professions to address the challenge (relevant activity is being identified and added continually).

Appendix 2 summarises, for each service area in which significant workforce capacity challenges have been identified:

- i) **Data on the scale of the capacity gap**, where it exists, or any activity underway to identify it;
- ii) **Reasons** identified for the recruitment / retention challenge, including why people are leaving and where they are going to;
- iii) Relevant **tactics to bring more people into local government** for this service area;
- iv) Relevant **tactics to address the retention challenge** for this service area;
- v) **Stakeholders** with whom the LGA would need to collaborate in any work to address the challenge (in many cases this collaboration is already underway);
- vi) **The LGA's role** (work completed or underway shown in italics, other potential activity shown in normal text).

8. This analysis and other research conducted to date confirms that:

- i) There is already work underway in some key service areas to develop a more detailed understanding of the capacity gaps and the best solutions to address them;
- ii) The issues and solutions for each service area are varied and in some cases are impacted by issues in other sectors;
- iii) In some service areas, it is appropriate that a holistic, multi-agency approach is taken (for example, adult social care and health, including both directly employed and independent sectors), rather than addressing local government separately;
- iv) In many instances, the relevant professional body takes the lead in workforce planning for their profession rather than employers in discussion with the academic sector;
- v) While vacancy data is available for some service areas, it is not a full or consistent picture. Not all councils hold vacancies, some use agency and/or interim arrangements and 'workarounds'. Others do not record as vacancies, posts that they cannot afford to fill. This limits the potential for a detailed 'gap analysis' of the scale and nature of vacancies;
- vi) Workforce planning needs to start at regional or sub-regional level, based on local data and informed by impacts on local economies: it is already in place or in development in some local areas and regions. The LGA undertakes national surveys to identify key trend data on council workforce issues and provides direct support to councils for workforce planning at local level, which increases the skills and capacity of council HR teams. The LGA's Work Local approach to wider employment and skills planning is the policy context to this local use of data to determine local needs.

9. It is proposed to:

- i) increase work with relevant stakeholders (including professional bodies and Government departments) to further analyse existing data into the capacity gap for all sector service areas experiencing significant workforce challenges and to work with them to take any further action necessary to better understand and address the gap. This work might identify, for example, that the 'pool' of suitably qualified candidates is too small and action is needed to increase the 'supply'. For other roles, 'grow your own' activity by councils (or groups of councils) will be appropriate. In other cases, there will be sufficient people with the relevant qualifications overall, but further activity is required to attract them to work in the sector. For each service area, it is anticipated that there will be a combination of factors and short, medium and long term solutions, including continued use of good practice and improvement support;
- ii) continue to engage with HR leads in councils via regional networks, regional employer organisations etc, and continue to run the LGA's workforce planning network¹ to help councils with long term workplace planning, recruitment campaigns and practices, to identify where any further support is needed (to be provided by the LGA or others) and potential sources for funding this support;
- iv) conduct new research to map education and training providers relevant to career pathways for professions and service areas experiencing capacity challenges (where this information is not already identified, for example by professional bodies). This aim of this new research would be to inform national, regional and local workforce planning and possible solutions to address the gaps, in collaboration with relevant professional bodies, employer and sector bodies and the relevant Government departments and is subject to agreement over funding with the Department of Levelling Up Housing and Communities (DLUHC) as part of the LGA's Improvement Programme for 2023/24;
- v) review and update the LGA's support and representational activity in light of the above and take appropriate action on any gaps identified;
- vi) set out actions arising from i) – iv) above in a sector-wide plan to ensure a coordinated approach to address the local government workforce capacity challenge.

10. Where appropriate, this activity may lead to discussions with professional bodies and Government departments to ensure an appropriate 'supply' by education and training providers of people with the relevant qualifications to meet the sector's needs.

11. Consideration needs to be given as to how this activity can be resourced, in light of other work to deliver the priorities in the LGA Business Plan.

Short term and ongoing: Continue to provide and enhance support to councils at local and regional levels

¹ There are over 100 councils on the workforce planning network

12. The LGA already provides support to councils to address capacity issues including the recruitment and retention challenge, through its Workforce team. This is funded through a mixture of DLUHC sector support grant funding, other Government departments' grant funding for bespoke projects, and payment by councils:
- i) Guides and resources to help local government employers to address capacity challenges can be accessed via the [LGA website](#). This includes best practice on [recruitment and retention](#), including support to consider the total reward strategy, good practice in equalities diversity and inclusion, job design and alternative entry routes into work;
 - ii) Round table events, national networks, direct support programmes and specialist webinars to help councils improve their approaches to addressing capacity challenges locally;
 - iii) Information and best practice sharing on new and flexible ways of working, support for health and wellbeing, strategies for promoting local government as an employer, workforce planning and regional cooperation to address social work agency costs, working with local authorities' HR professionals and recruiting managers;
 - iv) Supporting councils to reduce the use of agencies in children's social work, which is costly and works against providing stable professional relationships for children and families;
 - v) [New promotional materials](#) have been developed with Youth Employment UK to help councils promote employment in local government to 14-19 year olds. This supports councils to work with local sixth forms and FR colleges to attract young people via T level industry (work) placements. Working with the Department for Education and the Gatsby Foundation, the LGA has supported over 70 councils.
 - vi) [Annual 'employee healthcheck' surveys for qualified social workers](#), occupational therapists and non-registered social care practitioners supporting the delivery of social care to help inform workforce planning and target support by better understanding their experience at work;
 - vii) A national [apprenticeship programme](#) to help councils maximise use of the apprenticeship levy, promoting best practice and supporting councils to develop their own development programmes;
 - viii) Tools and consultancy are available to councils to develop career pathways, undertake strategic workforce planning and improve employee insights to enable councils to plan their staffing resources more efficiently and effectively.
13. The LGA has also successfully bid for other resources to support councils on this theme, such as training to support new managers and aspiring leaders in arts, culture, libraries, sport and physical activity, funded on a rolling basis by Arts Council England and Sport England. Additionally, the LGA supports councils to increase efficiency and adopt new ways of working through its wider Improvement Support programmes.
14. The LGA has identified additional support offers that it could provide to councils, subject to the identification of funding (for which various bids have been submitted):

- i) a refocused apprenticeship support programme to enable development of pathways into skills shortage areas (with ongoing advice on how to make best use of the levy);
- ii) Returners programmes for core corporate functions (eg legal, IT and finance). Such programmes are designed to upskill and support professionals who have taken a career break and to promote local government as a career of choice;
- iii) repeat of Returners programmes for adult and children's social care. Past programmes have been effective in supporting experienced professionals to become 'work-ready' after a career break and regain their registration in order to practice, while promoting local government as a great place to work;
- iv) a targeted programme to build capacity and effective teams in council finance teams;
- v) further collation and promotion of case studies and best practice to the sector. Such case studies can also be used to demonstrate to Government and stakeholders the scale of innovation and good practice in the sector;
- vi) pay benchmarking research with relevant data gathering and processing to assist councils with recruitment and workforce planning.

15. Consideration needs to be given to how this range of activities could be funded.

Short term and ongoing: Work with Government and other stakeholders at national level to develop and implement strategies and solutions

16. Ongoing discussions with councils, professional bodies and the LGA's policy boards have already identified clear views on priorities for action: the LGA will continue to work with professional and regional bodies and to meet with relevant Government departments, to seek to address these where it is best placed to do so. The scale of the challenge is increased due to the number of Government departments with a role to play in relation to sections of the local government workforce.
17. In comparison with significant recent Government investment in **recruitment campaigns** for professions such as [teaching](#) and [defence](#), there has been minimal investment in local government as a 'brand'. Given the wide variety of professions employed in local government, the potential to make a difference to local communities and places, and the pride experienced by many working in the sector, the LGA believes there is a case for government to fund the development of a recruitment campaign for the sector with materials for use by councils as well as content for use at national level. This could build on initiatives such as #OurDay, the National Graduate Development Programme and current early career promotions work, articulating and promoting the value, diversity and benefits of a career in local government sector. Such a campaign would focus on attracting talent into the sector, with the aim of demonstrating the career opportunities both for those entering specific professions and for those seeking a career change.
18. In addition to supporting councils to make the best use of the apprenticeship levy, the LGA is continuing to seek **increased flexibilities** in how the apprenticeship levy can be spent: currently the levy can only be used to pay for apprenticeship training.

Councils report they would use the levy to fund extra capacity in their council to better manage the levy process to help create more apprenticeship opportunities and to backfill wages when staff on apprenticeships attend training.

19. Councils and council-maintained schools have been disproportionately affected by the introduction of the levy as they were unable to spend it effectively in the first few years since its introduction as many of the relevant standards did not exist. This led to a significant proportion of levy funds going unspent, an underspend which has grown in subsequent years due to COVID. The LGA estimates that approximately £143m of councils' and their maintained schools' levy funds have been returned to Government unspent as of December 2022.
20. The LGA has supported the development of apprenticeship standards in schools but much more needs to be done to use the levy to create new apprenticeship routes for higher level teaching assistants, teachers and SEND roles. There is not yet complete consensus among teaching trade unions relating to the best way to use apprenticeships to support some of these roles: discussions within DfE are continuing.
21. The LGA is calling for the **extension of the proposed comprehensive workforce plan for the NHS** to include the non-NHS health workforce commissioned or directly employed by councils, the adult social care workforce and those in the community and voluntary sector without whose support the NHS would not be able to operate. We are willing to work with the Government to achieve this, alongside ADASS and other representatives of care and support service users, employers, workers, inspectors and commissioners. This plan should include targeted investment in training, qualifications and support; career pathways and development; effective workforce planning across the whole social care workforce. This would enable a systemic approach to address the needs of the whole health and social care workforce.
22. The development of a stable, sustainable solution to the workforce capacity challenge in adult social care requires 'parity of esteem' of staff recognition, value and reward for social care staff with their NHS colleagues. To achieve those aims with a reasonable degree of consensus across the sector, we continue to urge Government to commission an **independent review of pay levels** in the sector and the mechanism for ensuring they support the recruitment and retention of the high-quality workforce the public requires.
23. The LGA is calling for implementation of the **knowledge and skills framework** for adult social care (a commitment in 'People at the Heart of Care', the adult social care reform white paper). This framework should be across health and care to enable people to maximise opportunities and build knowledge and understanding of different roles (subject to the current pay differential between health and care being addressed so that the current one-way flow of staff from social care to health is ceased).
24. Capacity gaps in adult social care (both directly employed staff and frontline care workers) are being exacerbated by **lengthy Disclosure and Barring Service (DBS) processes**. It is proposed to seek the support of DLUHC to convene relevant Government departments and professional bodies to consider revisions to existing processes to reduce lengthy recruitment periods and additional costs.

25. We are calling on the Department for Education, in consultation with the sector, to develop a shared, holistic **10-year workforce strategy for children and family services** with clear actions at national, system, place and provider level. This includes helping the sector plan for and attract the right people we need to meet demand, create new entry routes into social work, focus on prevention rather than crisis, enable social workers to spend more time with families, streamline IT systems to reduce bureaucracy and set out explicit skills and competency frameworks.
26. Uncertain funding and the emerging policy environment can make it difficult for councils to invest in the technical, financial and managerial experience to lead local long-term effort for climate change mitigation. We are calling for **clarity of climate change policy and funding**, so that councils can better invest in their capacity, and a strategy to pool technical assistance locally, sub-nationally and nationally which councils can draw on.
27. The government, industry and councils should work together to **grow the number of ecologists across** all partners and ensure that local government is an attractive employer to new ecologists in order to meet new duties in relation to Bio-Diversity Net Gain, the development of Local Nature Recovery Strategies, wider nature recovery, and wider waste and recycling policy reforms.
28. We propose to call on the Department for Transport to **remove certificate of professional competence (CPC) renewal costs** to aid recruitment and retention of HGV drivers in the sector.
29. We will also develop further our approach to **communicating the nature of the capacity challenge** and our proposed solutions to it.

Ongoing: Working to achieve a sustainable financial future for the sector, stronger local economies and thriving local democracy

30. There is potential to further develop the LGA's messaging under the business plan theme 'A sustainable financial future' to highlight the financial implications of addressing the workforce capacity challenge, and the risks to delivery of key priorities such as Levelling Up and economic growth if the challenge is not addressed.
31. Such messaging could focus on the need for:
 - i) medium-term financial settlements so that effective workforce planning can take place over the medium term, and a degree of certainty is provided for jobseekers considering a role in the sector;
 - ii) sufficient funding for councils to enable:
 - HR capacity to undertake workforce planning, in collaboration with local skills providers as part of local planning for economic development;
 - Organisational development, health and wellbeing support, training and development (including digital skills) and 'grow your own' activities;
 - Adequate levels of management supervision;

- The recruitment and retention of sufficient numbers of skilled and motivated staff;
 - The accommodation of government policy on the National Living Wage.
- iii) fully-funded professional bursary schemes at national level to boost capacity in skill shortage areas, attract and retain professional talent (similar to schemes in [the NHS](#) and those for schools ([Teach First](#))). We have developed a proposal for a new graduate programme for planning officers, including bursaries, which is also currently subject to agreement over funding with DLUHC;
- iv) resources to upskill officers to implement reforms to the planning system to ensure they are equipped to create great communities through community engagement and proactive place-making;
32. The devolution of national funding and responsibilities as set out in our [Work Local](#) vision for devolved and integrated employment and skills provision would also enable councils to plan and take coordinated action in relation to the workforce at regional, sub-regional and local levels.

Implications for Wales

33. Wales faces very similar issues with workforce capacity as are evident in England. Through the LGA Workforce team's regular engagement the WLGA feeds into discussions and the sharing of good practice and experience. The working assumption used is that any steps to improve capacity in England would also be applicable in Wales, taking note of relevant responsibility devolution.

Financial implications

34. Not all of the potential activities listed within this report can be achieved within existing resources. A number are subject to the outcome of negotiations around our improvement grant from DLUHC for 2023/24. Where this is the case this is made clear in the report. This paper is designed to draw together research, activities and plans from around the organisation and to set out where activity is already in place, or where there are plans to develop work further. Where additional resources are required, officers will prepare detailed plans, informed by the Board's steer on priorities, including consideration of chargeable services and business cases for additional funding where required.

Equalities implications

35. Capacity gaps in councils' workforce have the potential to have negative impacts on people with protected characteristics: for example, an inability to meet demand for adult social care can impact older people and people with disabilities.

36. Job seekers are looking for diverse workplaces: 76 per cent of job seekers in a 2020 Glassdoor survey² reported that a diverse workforce is an important factor when evaluating employers and job offers. Addressing equalities considerations is a crucial part of work to maximise the potential pool of local government workers and aid retention: support to councils to consider equalities good practice is an important part of the workforce provided by the LGA. This is important in terms of culture and career aspirations, but also means consideration of flexible working and doing more to support the health and wellbeing of staff.
37. By working with councils and with relevant professional bodies, the LGA will target its policy and improvement work to address workforce capacity challenges towards those service areas where it is most needed, being mindful of equality, diversity and the impact on local communities.

Next steps

38. Further updates on delivery of actions to address the workforce capacity challenge will be brought to the Board.

² www.glassdoor.com/research/app/uploads/sites/2/2020/11/Workplace_Trends_2021_Glassdoor_Final.pdf