

Workforce Update

Purpose

For information and discussion.

Summary

This report updates on activity in the core workforce team work areas of pay negotiations, pensions, workforce strategy and consultancy.

Recommendation

That the Board notes the content of the report and offers comments as necessary.

Action

Officers to continue with the work programme and report as necessary.

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Workforce Update

Pay negotiations

Local Government Services and Craft

1. In November agreement was reached on a deal that saw the majority of pay points increase by 2.2 per cent from 1 January 2015, with no backdating to April 2014. There was some bottom-loading on the lowest 6 pay points. The agreement also included some non-consolidated lump sums and covers the period up to 31 March 2016. A similar agreement was reached that covers Craftworkers.

Senior Managers

2. An offer has made that covers the two negotiating bodies that relating to Chief Executives and Chief Officers. The offer is 2% on guaranteed FTE basic salaries of £99,999 or less (as at 31 December 2014) with effect from 1 January 2015. No offer has been made to those earning £100,000 or more. The offer covers the period to 31 March 2016. We are awaiting a formal response from the relevant union sides.

School teachers

3. The School Teachers' Review Body (STRB) has received a remit to consider what adjustments should be made to the salary and allowance ranges for classroom teachers, unqualified teachers and school leaders to reflect the average of up to 1 per cent pay award for public sector workers, to apply from September 2015.
4. Having consulted authorities the LGA submitted a National Employers' Organisation for School Teachers (NEOST) response and followed this up with oral evidence in December. The review body must report by February 2015.

Soulbury and Youth & Community Workers

5. At the time of writing the detail of pay offers to be made to both of these groups is under consideration. It is likely that offers will be made early in the New Year.

Fire Service

6. Sir Ken Knight's Review, published in 2013 highlighted a number of areas in the fire service which could be reformed. He found that the conditions of service of firefighters could be an actual or perceived barrier to changes. DCLG responded to the Knight Review in July and announced that it was setting up an independent review (undertaken by Adrian Thomas) with an objective is to look at the conditions of service of chief fire officers and firefighters and the processes by which they are determined to consider whether they present barriers to reform, improvement and efficiency. The review covers England only, while national bargaining machinery for Fire is UK-wide.
7. The LGA submitted a response to the review. Mr Thomas has met with the National Employers' Chair on two occasions to date. At the most recent meeting Mr Thomas was clear that as he is still in the evidence gathering stage his views may be subject to

change. However he did touch upon issues such as: employer/employee interaction at local level; management of change: extent of employee buy-in to the wider corporate team; management capability and recruitment. He expanded upon his thoughts on these matters at the December meeting of the Fire Services Management Committee. Mr Thomas is due to report back to DCLG in February.

Employment law advice

8. The employment relations team has provided advice and guidance through its Advisory Bulletin and regional seminars on how to manage the consequences of an important case on the calculation of holiday pay under the provisions of the EU Working Time Directive, as well as on the new shared parental leave scheme.

Pensions

LGPS Governance

9. Further draft regulations on governance and cost management for the LGPS were published on 10th October. The response attached as **Appendix A** was agreed at the meeting of the Local Government Pensions Committee on 21 November following circulation to political group offices. Subject to confirmation of funding the committee also agreed to continue to offer to provide the secretariat for the national LGPS Scheme Advisory Board.

Transfers to Defined Contribution Schemes

10. Work continues with HM Treasury and DCLG to provide protections for the scheme in the event of significant numbers of LGPS members transferring to DC schemes in order to take advantage of the increased flexibilities announced by the Chancellor in the budget and extended in the Autumn statement. In particular this work has included discussions on the basis for reducing transfers in the event of an impact on local taxpayers due to negative cash flows forcing the untimely disposal of fund assets.

Academy schools deficits and contributions

11. DCLG, LGA and the LGPS fund actuaries are close to agreeing a set of principles to ensure academy schools are treated in a consistent manner across the 80 LGPS funds in England. These principles will include deficit repayment periods no less than the ceding council together with the same funding target and discount rate as the council. The principles will also provide for a consistent method of allocating deficit both within and across LGPS funds in relation to academies.

Local Government Pension Scheme: opportunities for collaboration, cost savings and efficiencies

12. The above consultation which closed in July proposed changes to the style and structure of the £200b invested in the LGPS in England and Wales. Such proposals included a wholesale shift from active to passive management of listed assets, a move away from fund of fund vehicles and the creation of Collective Investment Vehicles (CIVs) for alternative assets.

13. A statement from the government is expected early in the new year. It is understood that DCLG ministers support an approach that encourages rather than mandates a move to passive investment and the creation of CIVs, however discussions continue at cabinet level with other departments seeking a more regulatory approach.

Deficit management

14. LGA in its role within the Scheme Advisory Board is working with other stakeholders to develop a set of recommendations to DCLG that will seek to ensure LGPS deficits are robustly managed and eliminated in a reasonable period whilst recognising the unprecedented financial constraints currently faced by councils. In support of this the work plan attached **as Appendix B** was agreed at the Board meeting of 8 December.

Workforce strategy and consultancy

Careers Guide

15. The LGA has launched a new career guide aimed at encouraging young people to think about a career in local government. The changing nature and design of public services within a context of ongoing financial pressures means that councils will want to position themselves well in the battle for talent especially amongst young people. The guide describes the important work that councils do within the places that young people live, work, learn, socialise and exercise and highlights the huge variety of interesting and meaningful jobs that councils have to offer. The Chairman of the LGA, Cllr David Sparks, has taken a personal interest in the guide as a former careers adviser in the West Midlands, and has provided the foreword.

Public health

16. The LGA continues to work closely with partner organisations on initiatives to promote the development of the public health workforce across the new public health system. The partners include Public Health England, the Association of Directors of Public Health, the Royal Society of Public Health and Department of Health. The pilots of the Talent Management Programme are proceeding well in the North West and London identifying key individuals and the skills they need to work flexibly across the system. The Public Health skills framework is about to be refreshed to make it more relevant for new ways of working. The public health workforce strategy itself will be refreshed in 2015.
17. The LGA continues to provide bespoke advice to councils on issues around recruitment and the appropriate use of different terms and conditions for public health specialists. The national working group on terms and conditions will produce further advice linked to the changes in terms and conditions which can be expected to follow the end of the two year period of protection next April. Many councils continue to need advice on pensions issues also.

Social work

18. A range of products designed to support the recruitment and retention of experienced social workers was launched successfully at the National Children's and Adult's Services conference recently. The products included a toolkit, case studies of innovative practice,

an organisational health check, a podcast and an explanation of the refreshed Employer Standards for Social Work. Since then a special report on pay and rewards and the recruitment market for social workers has been launched by the national Epaycheck database in which the LGA is a partner. Discussions with PPMA and SOLACE have resulted in a proposal to develop a guide on social work issues aimed specifically at members, which is now in development.

Decision-making Accountability

19. The Workforce team continue to deliver Decision-making Accountability (DMA) reviews for councils as a way of helping them create efficient workforce structures to deliver the services of the future. Recently, we have worked with Buckinghamshire, Epsom and Ewell and Belfast City councils and work is about to commence in Birmingham and Redbridge.

Employment issues for senior staff

20. The team continues to provide direct support to local authorities dealing with complex and contentious employee relations cases relating to senior managers. Councils we have supported recently include Cornwall, Pembrokeshire, Wirral, Rotherham and Hinckley and Bosworth DC.