

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 Resources 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

NEGOTIATIONS

Local Government Services

1. Members will recall that as part of the recent pay agreement, both Sides agreed a form of words related to future work of the National Joint Council. A briefing paper has been sent to colleagues in the regional employer organisations with a request that they seek the views of councils. Feedback from the regional conversations will be discussed with the Regional Directors at a meeting in mid-April.
2. The unions' national officers have informed us that they intend to lodge their pay claim for 2016 in late July this year. This is much earlier than normal and is an attempt by the unions to start negotiations well ahead of when councils traditionally begin to give detailed consideration to their budgets for the next financial year.

Senior Managers

3. Agreement has been reached on pay for chief officers. It is 2 per cent 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 agreement covers the period to 31 March 2016. An identical offer has been made to chief executives and is still under consideration by the union side. It is likely that this will involve a full meeting of the ALACE Council.

Soulbury and Youth & Community Workers

4. An agreement has been reached with the Soulbury unions on pay for 2014-16. It involves an increase on all pay points of 2.2 per cent from March 2015 (which is a delay of 6 months on the normal settlement date). The agreement runs through to March 2016. An identical offer has been made to Youth & Community Workers on which the unions are currently consulting their members. The outcome of the consultation should be known by late March.

Fire Service

The Thomas Review

5. Sir Ken Knight's '*Facing the Future*' Review, commissioned by the Department for Communities and Local Government (DCLG), highlighted a number of areas in the fire service which he felt could be reformed, arguing that the conditions of **service** of firefighters could be an actual or perceived barrier to change. Last summer, DCLG responded to the Knight Review by setting up an independent review (led by Adrian Thomas) into conditions of service, in particular to consider whether they present barriers to reform, improvement and efficiency. The review covers England only, while the collective bargaining arrangements in Fire are UK-wide.
6. Mr Thomas has visited 21 fire authorities and met with representatives of the various trade unions. He has also met more than once with the National Employers' Chair, and the Employers' Secretariat, as well as separately with the Independent Chair of the NJC. The LGA submitted a response to the Review.

7. The report was submitted to the Fire Minister at the end of February. DCLG has not indicated a publication date or, when having done so, whether it intends to produce a response before or after the general election.

Pay 2015

8. The usual settlement date for employees covered by the NJC for Local Authority Fire and Rescue Services is 1 July. The NJC covers employees from firefighter to middle manager levels. Whilst the National Employers have discussed their approach to pay for 2015, no decisions have been made at this time and they will consider their position when they next meet on 3 June. Members will take their usual political soundings at local and national level and any comments from today's meeting will be fed back to members of the National Employers.
9. Members have also considered the matter of any pay award for senior uniformed managers (covered by the NJC for Brigade Managers of Local Authority Fire and Rescue Services). No decisions have been made at this time and the comments about soundings in the paragraph above equally apply.

Schoolteachers

10. The School Teachers' Review Body (STRB) 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.
11. 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 submitted its report to the Secretary of State on 24 February. A response is anticipated during March.

Employment Law Advice

12. On behalf of local and fire authorities we have responded to European Commission's recent consultation on proposals for potential reforms to the Working Time Directive. The response, reflecting the views of authorities who were all given the opportunity to contribute, supports reforms which would enable more flexibility in on-call arrangements and the timing of rest periods, whilst retaining the opt out of the 48-hour limit on the working week.

PENSIONS

LGPS Governance

13. Final regulations on governance and cost management for the Local Government Pensions Scheme (LGPS) were published on 20 February. These set out the regulatory framework for:
 - 13.1. The establishment of local pension boards for each of the 90 LGPS pension funds in England and Wales. LGPS administering authorities are now in process of establishing local pension boards which have a role to assist the authority in compliance with legislation and effective management of the scheme.

- 13.2. The establishment of the LGPS Advisory Board (currently in shadow form). An advertisement for the Chair of the Board will be placed prior to the election although an appointment may wait for a new administration.
- 13.3. The cost management methodology for the sharing of changes beyond 2 per cent of payroll in the future service cost of the scheme.
14. In support of the above the shadow scheme advisory board has published the following documents:
 - 14.1. A guide to the establishment of and a template remit for local pension boards <http://www.lgpsboard.org/index.php/about-the-board/board-guidance>.
 - 14.2. A briefing note for employers covering cost management in the LGPS <http://www.lgpsboard.org/images/PDF/Publications/CostControlMembsEmpsFinal.pdf>.

Transfers to Defined Contribution Schemes

15. The Pensions Schemes Act 2015 gained royal assent on 3 March. This Act and its secondary legislation set out the impact of Freedom and Choice on the LGPS. In particular the framework for the advice LGPS members must take before transferring their benefits to a defined contribution scheme in order to take advantage of Freedom and Choice. In summary this advice must be:
 - 15.1. Specific to the transfer being requested by the member.
 - 15.2. Given by an FCA authorised advisor qualified to advise on transfers.
 - 15.3. Paid for by the member (unless the employer has been found to have encouraged such transfers in which case the employer must meet the cost).
 - 15.4. Certified by the advisor and evidenced to the LGPS fund before any transfer can be paid although the member does not have to follow the advice given.
16. LGA officers are currently working with the Department for Work and Pensions (DWP) and her Majesty's Treasury (HMT) officials to finalise the secondary legislation and ensure that no liability can fall on LGPS funds with regard to any actions taken or decisions made by the member in relation to such transfers. Once this legislation is place the LGA pensions team will issue guidance for funds, employers and members.
17. Further secondary legislation is also being finalised which will, in cases where the Secretary of State is convinced there is a risk to public funds, enable an LGPS fund to be designated. Such designation would result in a transfer to defined contribution schemes being reduced to reflect a funding ratio calculated by the local actuary.

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

18. At the time of writing no statement in respect of this consultation had been issued by government. A verbal update will be made at the board should that situation change before the meeting.

WORKFORCE STRATEGY

Relationship with Skills for Care

19. Recent discussions with Skills for Care have focused on improving the LGA's relationship with what should be a useful organisation for local government.
20. Skills for Care coordinate skills development for a vital segment of the local government workforce as well as for many organisations that we commission services from. Although there has been good communication at an operational level with the workforce team involved in a number of Skills for Care projects, there has never been a strong enough governance relationship. Along with other sector skills councils, Skills for Care is designed as an employer-led organisation which has never given sufficient attention to the needs of councils as the primary commissioners of services.
21. During her time on the Skills for Care Board, Cllr Elaine Atkinson from the Community Wellbeing Board (CWB) Board was frustrated at her limited opportunities to exert sufficient influence. Finally, following restructuring of Skills for Care governance structures and a move to an "expert individual board" the LGA lost automatic representation.
22. A useful joint meeting was held between the Skills for Care Chair and Chief Executive and the lead members of the Resources and CWB Boards on 25 February. It is felt that from now on, relations with Skills for Care should be dealt with jointly by the two Boards. It has now been agreed that there will be an annual joint meeting during the business planning cycle to coordinate joint approaches and projects.

Social Work/Social Care Careers

23. A guide for members focused on improving retention of qualified social workers has been developed with the Public Sector People Managers' Association and is now in production. A further co-produced guide is being produced for HR Directors to support good social work practice and sustainable structures with clear Decision-making Accountability (DMA).
24. The LGA has agreed to sponsor a category award at the upcoming social worker of the year awards, as part of our campaign. The category has yet to be finalised in detail but will link to our theme of keeping experienced social workers in the workforce. The likelihood is that the award will be for a dedicated social worker making a significant long-term contribution.
25. Frontline, the Fast Track Graduate Scheme for Children's Social Workers have met with the LGA to explore working together to support first line managers in improving social work practice. A pilot is currently underway in the Manchester area and this is likely to be

extended to London. Frontline have just had their third cohort agreed and will be looking to enrol 180 applicants following a rigorous assessment process.

26. Finally we are planning to develop and issue some further benchmark social work role profiles to aid job evaluation and career development. The profile set will focus on new roles being developed as part of care responsibilities and roles inherited from the NHS.

Family worker apprenticeships

27. The LGA is also supporting a consortium of councils and ADASS bidding to develop an apprenticeship for family workers. Yorkshire & Humber, Eastern Region (led by Suffolk) and a group from the North West (led by Lancashire) submitted separate but similar bids for Apprenticeships in work with children and families. They were advised to combine these; this was subsequently unsuccessful but the Department for Business, Innovation and Skills (BIS) suggested developing the bid with other interested local authorities to submit in future 'waves'; hence the LGA endorsement. The driver for working with BIS is that an approved (by Secretary of State) Apprenticeship will be clear, official and available to any employer. There is resultant funding for employers who run these approved Apprenticeships.

Public Health

Continuity of service

28. The LGA has recently issued a technical guidance note on the difficult issue of offering continuity of service, particularly for redundancy purposes. Although there are potential costs, most HR specialists consulted take the view that necessary recruitment can be hampered if specialists working in the NHS and Public Health England (PHE) are reluctant to give up their service years when moving to local government. Full change would require alterations to the modification order and the Cabinet Office has not indicated a willingness to do this so far. The technical note describes what is possible on some terms and conditions under current regulations, including in respect of pensions. It was issued with a joint letter from the LGA, PHE, Association of Directors of Public Health (ADPH) and Faculty of Public Health (FPH) encouraging employers to do what they can to make an offer to employees where possible on a proper risk-assessed basis.

Public Health pay awards

29. Staff who transferred into local government in 2013 have no automatic entitlement to any further NHS pay awards under the current "static" interpretation of TUPE which means that only the terms at the point of transfer apply. They also have no automatic entitlement to the NJC award, unless they have been harmonised to local terms and conditions of course which hasn't happened as yet. There is an argument based on recruitment markets that can be used to produce a risk-assessed justification for granting the NJC award but this can reduce the protection against equal pay claims from existing staff. The workforce team has been advising councils informally on this.
30. The issue is now an active one for the unions and has been covered in the local government press. Further consideration will be given to the best advice to give councils on what has to be a local decision.

Pay and Reward at the Councillors' Forum

31. The last meeting of the Councillors' Forum included a discussion based on the Resources Board paper on pay and reward challenges. Members will recall that the

paper described challenges at every level of the pay structure from dealing with low pay to attracting professionals and a strategic approach to top pay.

32. The Councillors' Forum discussion was expanded by a presentation given by two senior partners from Mercer Consulting who made some thoughtful contributions. They argued for example that councils need not feel that they are treating staff unfairly by not paying the Living Wage provided that the other advantages in the overall reward package are highlighted and explained. They suggested also that councils could consider using a team-based approach to extra rewards for achievement and contribution which avoids some of the pitfalls of traditional performance-related pay. All of these points can be contentious of course but the purpose is to stimulate debate on future approaches to rewards across the sector. The Employers' Side of the NJC will be seeking to further the debate with structured questions to be debated in regional meetings based on the original Resources Board paper.

Family and Childcare Trust partnership with Local Government Association

33. The Family Childcare Trust (FCT) has a core view that families are at the heart of every council as employees, residents and service users and that when changes are being made to employment practices or service provision, the impact on families is considered. Following discussions, the FCT will work with alongside the LGA and representatives from councils across the UK to develop a set of family friendly guiding principles.

34. The project aims and outputs are:

- 34.1. To provide a set of family friendly guidelines for councils to be used to support their change programmes; and
- 34.2. To provide an evaluation and strategic planning tool so that each council can identify: how family friendly their current practices and services are; identify what areas need to be addressed; and plan how to improve and evaluate change.

35. The benefits of the project are:

- 35.1. To support councils with employee engagement and the recruitment and retention of valued experienced staff.
- 35.2. To improve service user experience and gather resident feedback.
- 35.3. Help reduce council cost through reduced recruitment costs, reduced absenteeism, increased employee performance and reduction in resident complaints.

Smart working

36. The LGA is working with the Cabinet Office and other Government Departments as well as the private sector, to create a Smart Working Maturity Self-Assessment tool. Partners include Vodafone, Microsoft and McMillan, as well as The Timewise Foundation. This is due to be launched in April/May 2015.
37. The LGA is working with six councils to run a national pilot to test the impact of the Timewise Council programme as a way to help local government and its partners, both improve the quality of its services and build efficiencies in how they are delivered through

flexible working. This is on the understanding that Timewise will work with councils to help them to achieve this and also undertake an evaluation with each participating council to assess the impact of the process had/will have on their ability to embrace flexible and agile working.

38. We will be sharing the results of the evaluation with Members and will be using the learning to inform a flexible working offer to local government.