

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE MEETING 19 OCTOBER 2005

THE LOCAL GOVERNMENT PAY AND WORKFORCE STRATEGY

Report of the Chief Personnel Officer

This matter is the responsibility of Executive Councillor T Hall

1. Purpose

The purpose of this paper is to briefly update the Executive about the national Pay and Workforce Strategy that applies to all local authorities and to report on progress so far.

2. Executive Summary

In March 2004 a 3-year pay settlement was agreed for local government. As part of the settlement, both employers and trade unions agreed that a number of pay and workforce related issues needed to be progressed, and that this should be done through a national framework. A national pay and workforce strategy has been developed and local authorities are expected to implement this by the end of the 3 year period, ie 31 March 2007.

Progress has been made on all fronts, in particular in Workforce Planning and leadership development. There is still much work to be done on the pay and grading review and additional resources will be needed to meet the deadline for this exercise.

3. Introduction

In March of 2004, a national Pay and Workforce Strategy for local government was launched by the ODPM and the EO to support the 3 year pay deal.

The strategy was developed to help ensure that local government *“has the right numbers of people in the right places, with the right skills to deliver improved services, greater efficiency and better customer focus in front line services.”*

Local authorities and Trades Unions both helped to develop the strategy, which brings together information about different pay and workforce pressures and opportunities facing local government. The activities proposed here will also help local authorities to develop systems to improve CPA results and meet the expectations of the Efficiency Review.

TDBC has its own People Management Strategy and many of the issues are already covered by this; there are some areas however that will be addressed separately and these are covered in the following paragraphs.

4. Pay and Workforce Priorities

The national strategy identified five priority areas that are critical to developing the local government workforce to secure the delivery of better and more efficient customer focused public services:

- i. **Developing Leadership Capacity** amongst officers and members– have we done enough to develop current and future leadership, and to ensure it is as effective as it might be?
- ii. **Developing the skills and capacity of the workforce** – are we confident that our employees are able to do what they are required to do?
- iii. **Developing the organisation** – are we confident that we have a high performance people management culture?
- iv. **Resourcing local government** – are we ensuring that we recruit, train and retain the staff we need?
- v. **Pay and Rewards** – is our pay and reward system fair and does it attract, retain and develop a skilled and flexible workforce, whilst achieving value for money in service delivery?

The following is a brief summary of the requirements and our current progress in each of the above areas:

(1) Developing Leadership Capacity

Key targets in support of this priority include:

- Setting up a Local Government Leadership Development Centre (a virtual centre)
- The National Graduate Development Programme (the EO managed trainee programme that continues to expand)
- IDeA Leadership Academy for Members
- Leadership Development Commission to define core leadership qualities for members and officers by June 2004.
- The EO to encourage all councils to engage in succession planning and have systems to identify and bring on 'high flyers' for future leadership positions by December 2005

We are currently working with a consultant funded by the centre and he has identified key areas for development, which need further discussion and action. We also have an internal management development programme which is active in developing leadership.

(2) Developing the skills and capacity of the workforce

Key targets in support of this priority include:

- Encouragement to all authorities to identify and address high priority skills needs via regular skills audits.

- Regional skills and capacity building initiatives.
- To identify current and future

A thorough Workforce Plan for TDBC is in progress, this will set out how the authority will recruit, support, develop and retain the employees it needs for the future. This cannot be done in isolation, as the work should be integrated into the authorities business planning to help achieve effective organisational development by a combination of clear strategic vision and forward thinking HR policies.

Line managers have already identified the skills present in their service areas, considered the way their services will develop over the next three to five years and what skills will be needed to provide those services Work is now progressing to produce a plan, which will:

- ***Identify the current and future skills needed to deliver new and improved services***
- ***Analyse the current workforce in relation to these needs***
- ***Highlight shortages, surpluses and competency gaps***
- ***Look at the authority's diversity profile against that of the local population so that our workforce can respond appropriately to the needs of a more diverse society.***

Whilst local area agreements and the efficiency review will effect the way services are delivered, we will still require as an authority, a workforce that can be recruited, developed and retained to meet and anticipate change.

(3) Developing the organisation

Authorities need to empower people at all levels, especially middle management, to take decisions and to use their initiative rather than simply following procedures.

Local authorities need a more diverse and integrated workforce and elected membership to help combat social exclusion and build strong communities. Despite recent improvement in some areas and a number of successful local initiatives, local authorities collectively have some way to go on equality and diversity, particularly in terms of implementing national standards such as the Equality Standard for Local Government.

Key targets in this area include:

- Encouraging all councils to achieve the full Generic Equality Standard by a date to be agreed.

TDBC is actively working towards this and our Policy and Performance team are making progress towards our achieving a higher standard within the framework.

(4) Resourcing local government

Key targets in this area include:

- Encouraging all authorities to gather workforce data and undertake workforce planning. Local workforce development plans to be in place by March 2005;
- Implementing a co-ordinated programme to promote careers in local government, to be in place by September 2004.

Through the work currently underway to create a Workforce Plan we will be able to produce action plans within our HR Strategy that will:

- ***Achieve a diverse workforce that reflects the local community at every level***
- ***Assess and use entry level development schemes to attract new young people coming into the organisation***
- ***Develop fast track skill development programmes to recruit for certain occupational groups***
- ***Assessing apprenticeship schemes***
- ***Assessing the set up of graduate entry schemes working with the Employers Organisation's National Graduate Development Programme (NGDP)***
- ***Promoting skill shortage areas to schools, colleges and universities***
- ***Setting up schemes to attract mature candidates who bring experience from other sectors***

(5) Pay and Rewards

Local Government employers aim for a pay and rewards system that supports the recruitment, retention and motivation of staff as well as being fair and affordable.

The Pay Commission found that, although there is not a general low pay problem leading to recruitment and retention difficulties, faster progress is needed on dealing with equal pay issues to help close the gender pay gap. Consequently as part of the 3 year pay deal, all local authorities are required to undertake a Pay and Grading Review to address these issues.

Authorities will also need to look at how to make the pay of chief executives and chief officers more accountable and examine ways to enhance and promote the total rewards package of local government staff.

Some key targets in support of this priority include:

- Conclusion of an agreement on a multi-year pay package aimed at addressing issues of equal pay and equal opportunity for development and thereby aiding service improvement
- All councils to have completed Local Pay Reviews by the end of the proposed multi-year agreement.

We are currently looking at alternatives to replace our current Job Evaluation system with one that meets the above requirements, especially that it addresses issues of equal pay. Two systems are effectively on offer and a decision on the one that suits TDBC will be made in the next month. Following on from this, we will need to plan for a major review of every job in the organisation and re-evaluate them on the new chosen system. This is a very large piece of work that must be finished by March 2007. Further staff resources will be required to achieve this and a request is made below under Recommendations. The estimated cost will be in the region of £75000, which includes staffing, computer system support and necessary licences.

5. National, regional and local action

Local authorities need to take the lead in addressing their own pay and workforce issues, individually where appropriate but increasingly through partnerships with each other and the wider public sector.

We are endeavouring to work in partnership with Sedgemoor and West Somerset District Councils to conduct our Pay and Grading Review and exchange information regular with partners in other aspects of the strategy.

7. Impact on corporate priorities

This initiative will support all corporate priorities on an equal basis.

8. Recommendation

The Executive is asked to note the contents of the above report and support the initiatives that help us to achieve our obligations within the Pay and Workforce Strategy.

The Executive is also asked to request Full Council approval for a supplementary estimate from the General Fund Reserve of £75000 for additional resources to implement the new job evaluation scheme.

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