



Transforming the Organisation, Improving Performance: the Local Government Pay and Workforce Strategy 2005

Transforming
your Authority

Creating Real and Lasting Change

Contents

Section 1	Introduction: The need for Transformation	1
Section 2	Background: Progress, workforce numbers and the role of Trade Unions	4
Section 3	Priority Themes and Actions	13
	Organisational Development	13
	Leadership	17
	Skills and Capabilities	22
	Resourcing, Recruitment and Retention	25
	Pay and rewards	29
Section 4	Next steps	34
Annex 1	Projects supporting the Local Government Pay and Workforce Strategy	36

Section 1

Introduction: Building on achievement

- 1 The Local Government Pay and Workforce Strategy has raised the profile of workforce issues in local authorities since it was first published in September 2003. There have been some notable achievements, with increasing recognition of the importance of people management issues in bringing about the transformation of services. Here are just two comments from Chief Executives:

“A crucial factor of our ‘excellent’ CPA rating in December 2004 and our drive for excellence has been the recognition that employment policies and practices should drive service improvement, policy development and staff motivation.”

**Janet Callender,
Chief Executive, Tameside MBC**

“Our success as an organisation is totally dependent upon the commitment and dedication of the very talented people who work here.”

**Caroline Tapster,
Chief Executive, Hertfordshire County Council**

- 2 In bringing people management to the forefront of their strategic thinking, local authorities have begun to make a number of serious commitments that are designed to ensure that they have a workforce that can deliver changing service needs. Many more authorities are carrying out workforce planning. In September 2004 15% of authorities had completed or partially completed a Workforce Development Plan, 64% were working on their plans and 21% had not yet started but were committed to doing one¹. Most authorities are also reviewing and modernising their pay and rewards structures. Investors in People status is on its way to becoming a universal standard in local government and local authorities are beginning to explore skills pathway approaches that will enhance the career prospects of many of their employees.

¹ People Skills Scoreboard 2004

- 3 This success on the ground has been orchestrated by national and regional efforts to provide co-ordinated support and assistance to local government as it focuses on pay and workforce issues. A strong national implementation partnership has been developed, bringing together many organisations to steer the strategy. A start has been made on coordinating the activities of central government departments as they impact on local government – especially through the work of a workforce data co-ordination group. Effort is being put into assessing the shape of the future workforce and the development of the workforce has been facilitated by capacity building funds offered by the Office of the Deputy Prime Minister (ODPM) and Local Government Association (LGA).
- 4 Achievements are recognised throughout this latest version of the Strategy but it would be wrong to be complacent, as many significant challenges remain.

A continuing need for transformation

- 5 Authorities are being challenged by their communities and by government to focus on their core purposes of:
 - Being effective community leaders, developing sustainable communities.
 - Procuring or delivering customer-focused, continuously improving and effective services.
- 6 The 10-year Local Government strategy announced in July 2004, outlines the future vision for local government. It sets out a reform agenda based on four broad themes: leadership, citizen engagement, service delivery and the performance framework; and a new settlement between local and central government. Over the next few months, the Office of the Deputy Prime Minister (ODPM) is publishing a series of daughter documents on these four themes to support and inform debate. The Local Government Association (LGA) has also published its vision for local government. The future of local government is intrinsically linked to the role of the workforce; in particular how to ensure the workforce can lead and respond to the demands of its communities. A workforce or people strategy is critical to the success of organisational transformation and cultural change.
- 7 The main objective of this Pay and Workforce Strategy is to:

“Ensure that local government in England has the visionary leadership, organisational flexibility and people capacity required to deliver improved services, greater efficiency and better customer focus in front line services.”

- 8** Transformation involves a complex series of processes and organisational change cannot happen unless people at all levels lead, manage and anticipate reform. All authorities need to move away from the traditional model of rigid hierarchical structures that involved a focus on procedures and a desire to retain the status quo. Many local authorities have started this journey but many require support in transforming services and the whole organisation, with a workforce strategy.
- 9** Transformation is easy to talk about but harder to do. There needs to be a clearer and shared understanding of the approaches that will produce the desired results whilst recognising that there is no one-size fits-all solution.
- 10** A co-ordinated public sector approach is vital to steering the key workforce changes. Many national and regional initiatives have already been put in place. The priority for 2005-6 is to ensure that all authorities embrace the challenge of fundamental organisational transformation, and have the tools, techniques and support they need to achieve this major task.
- 11** The aim of this document is to provide local authorities with information on which to build a local workforce strategy that helps to transform their organisation.

 - Section 2 provides background to the strategy, key policy initiatives driving change, and information on workforce numbers.
 - Section 3 identifies the major workforce challenges in the five priority areas; and sets in place mechanisms to support authorities in addressing these challenges.
 - Section 4 provides an action plan for taking the strategy forward.

Section 2

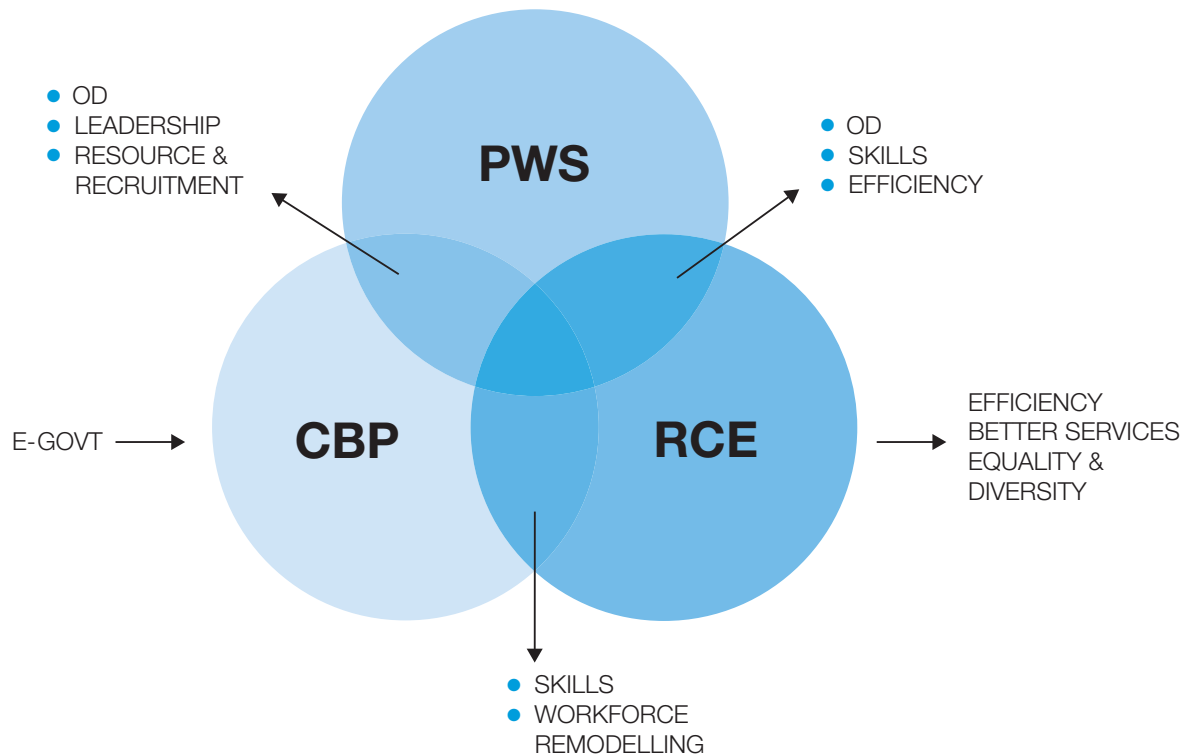
Background to the Pay and Workforce Strategy 2005

- 12 In March 2004, the Office of the Deputy Prime Minister (ODPM) and the Employers Organisation (EO) published the second Local Government Pay and Workforce strategy. It was developed with input from local authorities, other government departments, the trade unions, professional bodies and relevant agencies. The strategy was endorsed by the Central Local Partnership and adopted by the Local Government Association (LGA) Human Resources Executive.
- 13 The strategy set out a comprehensive approach to support councils in maximising the capacity and performance of their workforce to deliver continually improving local government services.
- 14 Five strategic priorities were developed, summarising the organisational and managerial changes that need to be made in the sector to ensure that targets can be achieved and services improved within planned budgets. These are:
- **Developing the organisation** – to transform organisations by achieving excellence in people and performance management, process redesign, job redesign, equality and diversity in service delivery and partnership working.
 - **Developing Leadership capacity** – among both officers and members, including attracting effective leaders into local government from outside the sector.
 - **Developing workforce skills and capacity** – across the corporate centre of authorities, specific services, management and the frontline workforce.
 - **Resourcing local government** – ensuring that authorities recruit, train and retain the staff they need.
 - **Pay and Rewards** – having pay and reward structures that attract, retain and develop a skilled and flexible workforce while achieving both value for money in service delivery and fairness.
- 15 It has always been intended that the Strategy should be a living document, responding to changing priorities, acknowledging achievements and outlining the development of support mechanisms. A major change highlighted in this version is the need to focus much greater effort on organisational transformation. This is driven in part by the focus on organisational, and people and performance management issues in the new Comprehensive Performance Assessment (CPA) key lines of enquiry.

- 16** The Audit Commission's **2005 Comprehensive Performance Assessment** process recognises the importance of people as a key resource and will look for evidence that authorities are undertaking workforce planning and development. Leaders and Chief Executives need to focus on workforce transformation as a strategic rather than technical issue. CPA will look for evidence of achievement against the requirements of the pay and workforce strategy. Evidence will also be sought on equality and diversity in the workforce, engagement with and appropriate skills to deliver services to diverse communities.

Progress since the Pay and Workforce Strategy 2004

- 17** In the last twelve months a national implementation group has been set up to help deliver the implementation plan, joining up initiatives and pulling together resources. Our partners on the National Implementation Group are Audit Commission, LACORS, 4PS, SOCPO, SOLACE, IDeA, Trade Unions, other government departments, TOPSS, Regional Employers Organisations (REO), Asset Skills, Investors In People and local government representatives.
- 18** Improvement partnerships have been set up to support authorities working collaboratively on regional and sub-regional issues such as workforce planning, recruitment and retention projects. The ODPM/LGA capacity building programme has been instrumental in pump priming projects to deliver workforce improvement. Local authorities and partner organisations will need to consider the sustainability of these projects (see annex 1). However, these, projects will generate learning to inform future workforce priorities.
- 19** The diagram below demonstrates how key ODPM initiatives are joined up to deliver workforce reform in local government. The Pay and Workforce Strategy is an integral part of the capacity building programme and is linked closely to Regional Centres of Excellence. Similarly projects funded by ODPM E-Govt team demonstrate the transfer of learning from the exploitation of e-Government over recent years. The necessity to work together and deliver cross cutting projects has meant new ways of working and new disciplines. Both e-Government and capacity building projects are producing competencies in skills and behaviours, change programme and project management methods, and business case guides. These are all available for staff and HR/OD professionals to pick up and use as input to their local development plans. All these initiatives support local authorities to transform their organisations to deliver excellent services whilst developing the skills and capabilities of the people who work in the sector.



P&W – Pay and Workforce Strategy
 CBP – Capacity Building Programme
 RCE – Regional Centres of Excellence
 OD – Organisational Development

Pay and workforce strategy 2005

20 This section provides a brief review of the policy challenges facing local government. All of these policy challenges have an impact on the future workforce and are key dimensions of the pay workforce strategy. Priorities for local authorities over the next year are identified and national actions in support of these are set out. It also highlights the role of Trade Unions in workforce development.

The Policy Challenge

21 There are a number of policy drivers steering change. Local government must provide community leadership and improved services within carefully controlled budgets. Customers expect greater choice in service provision for all. Demographic changes bring both changing customer needs and a changing workforce. Working in partnership brings both opportunities and challenges. Authorities need to compete effectively with public, private and not-for profit sector in attracting and retaining talent.

- 22** Local Authorities have started to respond to these changes and are modernising their business processes to deliver better services to their communities. New government initiatives such as local area agreements and the efficiency review will further affect the way services are delivered but they do require a workforce that can be recruited, developed and retained to meet and anticipate change. In addressing these policy drivers, local authorities also need to give continuing priority to mainstreaming equality and diversity issues.
- 23** **Local area agreements** complement the Government's 10 year strategy on the future of local government and are at the forefront of plans to create a new relationship between central and local government. They represent a radical new approach to improve co-ordination between central government and local authorities, working through the Local Strategic Partnership. Local Area Agreements allow local authorities and their partners to decide jointly which local priorities best reflect local circumstances, while still contributing to the achievement of national targets and rationalising the way government funding is delivered to the area. The aim is to give people on the ground more power and flexibility to decide how funding is spent and reduce the bureaucracy involved in applying for and managing funding.
- 24** **The Efficiency review** requires local government to deliver a minimum of 2.5% efficiency gains per annum against a baseline budget of approximately £86bn. This equates to at least £6.45bn worth of efficiency gains in 2007/08, around £2.15bn per annum. Councils are required to achieve 2.5% per annum efficiency from their activities. They are free to determine for themselves the best way to do this, but it is expected that key activities will include rationalising procurement, corporate support services, and transactional functions as well as maximising productive time.
- 25** The strategy also prioritises **Equality and Diversity** in local government. Local government is at the heart of the community, with knowledge about local needs and in the front line of delivery. As a democratically accountable body it needs to ensure that public services are responsive and designed around the needs and preference of local people and their communities. Local government needs a workforce that can respond appropriately to the needs of a more diverse society. There is a greater focus also on equality and diversity issues throughout the public sector and the wider economy, embodied, for example, in the Generic Equality Standard and the Women at Work Commission. Local authorities are expected to comply with Race Equality Audit and from the end of 2006-7 public authorities are expected to tackle institutional discrimination through a duty to promote disability equality.

The local government workforce

26 Local government is the largest employment sector in England, employing over 2 million people. The current directly employed workforce has a number of key characteristics, all of which present significant challenges if local government is to achieve the aim of fitting its workforce profile to changing service delivery needs. These include:

- Almost 75% of local government staff are women the majority of whom work part-time. Women dominate in education, social care and corporate functions, though men slightly outnumber women in some services such as planning, the public protection services and refuse and recycling. Local authorities often offer a range of leave and working arrangements for employees; this may be one of the reasons why women are attracted to working in local government.
- 77% of male employees in local government work full-time, compared to 40 per cent of female workers. This reflects women's working patterns more generally, with women more likely than men to be in part-time rather than full-time work in the economy as a whole.
- The local government workforce is older than the wider economy, with nearly two-thirds of the workforce aged 40 and over. 31% of the local government workforce is 50 or over and hence due to retire over the next 15 years.
- Only 6.6% of the local government workforce is from ethnic minority groups compared with 7.9% of employees in the whole economy.
- 14.7% of the local government workforce has a long-term disability. The corresponding proportion amongst employees across the economy as a whole is 13.1%.
- In March 1995, 30 per cent of local authorities reported they were experiencing some recruitment and retention difficulties. By January 2004, this had increased to 94 per cent of authorities saying they have difficulties recruiting to specific posts. Almost all the key shortages are in areas where local government is the primary employer².

27 Some ways of dealing with the recruitment and retention issues that arise from these workforce changes are discussed later in section 3. There are also some interesting regional variations that are illustrated below. Various regional partnerships are responsible for developing regional workforce data and the

² Sources: Local Government Employment Digest 2005; Social Services Workforce Survey 2003; Recruitment and Retention Survey 2004.

EO works with the Regional Employers Organisations to optimise the capture and sharing of data:

- Local government employees make up 12.6% of the workforce in England. Local government employees make up a smaller proportion of the whole economy workforce in more prosperous regions such as the South East and London than in less prosperous regions such as the North East and Yorkshire and Humberside. In absolute terms, the largest numbers of people employed by local government are to be found in the regions with the largest populations; the South East, London and the North West.
- People from minority ethnic groups make up 6.6% of the local government workforce in England. However nearly half work in London, where they make up 25.8% of the local government workforce. At the other end of the scale, less than 2% of the workforce are from a minority ethnic group in the North East and the South West.
- 31% of the local government workforce is aged over 50 in England. Regionally the proportion varies from 37.9% in the Eastern region and 34.7% in the East Midlands down to 29.5% in the North East and 29.8% in London.³
- Recruitment and retention difficulties for professional and managerial occupations are most acute in London (with authorities experiencing difficulties in an average of 19.6 occupations), followed by the South West (17). For non-professional/non-managerial occupations inter-regional differences are less marked.
- Generic and specific skills gaps vary much less by region, although the South West is marginally the worst affected.⁴

Future workforce developments across the whole economy

- The working population in England and Wales is set to grow by 1.9m between 2001 and 2015.
- The economically active group is to grow by 822,000 between 2003-10.
- Graduates will make up 25% of the workforce by 2010. Women are likely to make up an increasing proportion of graduates compared to the past.
- Minority ethnic group make up 8.7% of the population and have a younger age profile than the white population. This means that their proportional

³ Source: Labour Force Survey, Autumn 2004

⁴ Source: Recruitment and Retention Survey 2004, Employers' Organisation

share of the workforce will increase as this generational 'bulge' enters the workforce.

- Younger women are more likely to participate in the labour market, including women with dependents, than was the case in the past.
- 28** Local government needs a supply of high quality staff to cope with the demand for changing, high quality services. To address this it needs to use workforce planning and effective people management techniques to harmonise the supply of high quality staff with the demand for changing, higher quality services. There is a continuing need to analyse workforce issues and to set this analysis against the best predictions for future service demand.
- 29** For example, if employment levels continue to be high, how will local government ensure that it is attractive to a graduate workforce? Given the projected demographic profile of the graduate market, how will local government ensure its recruitment processes are culturally appropriate? Above all, making full use of workforce planning, how will local government find sufficient numbers of the right staff to fill the jobs that it is forecast to need?
- 30** Forecasting future numbers and skill requirements is difficult because future numbers of jobs needed will comprise changes, often working in different directions, amongst hundreds of different occupational groups. Forecasts even for one occupational group can be fraught with difficulties and strongly influenced by policy, such as DfES "Five year strategy for Children and Learners", the implementation of "Every Child Matters". Other workforce strategies come into play such as the Children's Pay and Workforce Strategy and the Social Care Workforce Strategy.
- 31** Moreover, the responses to central government policy will vary amongst the 388 local authorities in England. Some will aim to outsource particular functions, while others will develop the functions in-house. Different technical solutions will imply different staffing levels. Different authorities will resolve upon different balances between professional, technical and administrative staff.

What might change the workforce?

- 32** The single most important influence on size of the directly employed local government workforce will be how many secondary schools become independent of local authorities (with a maximum of 250,000 teachers and around 350,000 support staff affected). Demographic changes may also mean that fewer teachers and other support staff will be needed to staff primary schools, although in some regions policies to reduce pupil-staff ratios may keep demand stable, particularly for teaching assistants.
- 33** In Children's Services the new Children's Trust approach is likely to mean that more staff will be indirectly employed or could move to work for partner organisations.
- 34** In Adult Social Care, workforce numbers are likely to increase because of the increasing number of service users. However a high proportion of the workforce has already been outsourced so most of the additional numbers are likely to be in the wider social care sector rather than directly employed by authorities. There are new government proposals for more service users to employ their own carers directly and many local authority staff are transferring to Primary Care Trusts and the NHS.
- 35** Large-scale strategic partnerships, outsourcing and collaboration arrangements between authorities, many in response to the Efficiency Review, typically have long lead in times, so the changes in staff numbers may not be immediate. Nevertheless a number of authorities are already planning or implementing such arrangements so a steady decrease in directly employed staff is likely to continue in services provided directly to the public as well as corporate services.
- 36** Local authorities' role as commissioners of services however will continue to grow, and local authorities need to be equipped to deliver effective and efficient services through business process redesign as well as employing staff with advanced skills in partnership, procurement and client side management.
- 37** Detailed work on the current and future shape of parts of the local government workforce is being carried out as part of other workforce strategies, such as the Children's Pay and Workforce strategy. ODPM and EO are working with authors of these strategies to see how best quality data can be made available to inform authorities' responses to the various strategies. The EO has started to do initial work on the future workforce and will take this forward through a forthcoming event and report.

The role of Trade Unions

- 38** Trade Unions make a valuable contribution to workforce development and it is important that they are engaged in the development and implementation of the strategy, nationally, regionally and locally. The Local Government Services Trade Unions are formally engaged with the local government employers through the Green Book agreement, which covers many of the issues discussed in the Strategy. The Unions are also involved in addressing workforce issues through a number of the National Joint Council working groups that are considering what action is needed to respond to the Local Government Pay Commission's recommendations.
- 39** The Unions are also expected to be involved in developing ideas for improving services and addressing workforce flexibility. This is exemplified on the shared approach to reform of the two-tier workforce and in the recently signed agreement of the Public Service Forum on "Pay and Reward Principles" (March 2005). See http://www.cabinetoffice.gov.uk/opsr/news/2005/reward_principles.asp
- 40** The Unions have a partnership role in a number of other projects that are encouraging workforce development, for example a series of action learning projects run by the EO. The role of the Unions will continue to be important and their involvement in projects as well as negotiations at a regional and local level should be encouraged. The unions also have a role as providers of development opportunities through involvement in the Open College and Return to Learn, for example.

Section 3

Priority themes and actions

- 41 This section discusses the issues and challenges facing local government under each of the priority themes of the strategy, along with some existing achievements. For each theme, priorities for local authorities over the next year and through to the end of the current spending review in 2008 are identified and national actions in support of these are set out. Local and regional actions are not set out in as much detail as the national ones because, of course, they need to be agreed and fleshed out at the appropriate level.

1 Organisational development

Key issues

- 42 Defining what organisational development (OD) is for local government is a challenge in itself. There are many definitions and interpretations of organisational development. This is partly because OD can be strategic, broad-ranging and comprehensive but can also be a specific activity focused on a particular area of service. By its nature, OD is an organic and flexible approach to business development where different activities need to be tailored to achieving cultural and organisational change.
- 43 The EO has conducted research on management of OD, understanding organisational change and developing change management techniques. Information is available at <http://www.lg-employers.gov.uk/od/index.html>
- 44 ODPM/LGA have recently funded SOLACE Enterprise to conduct further research in this area to help local authorities have a better understanding of OD; to identify key OD issues for local authorities and develop practical steps for introducing OD in local authorities, including securing member buy-in. This project is consistent with the EO's existing work.
- 45 The definition being used in the ODPM/SOLACE OD Project is:

The practice of planned intervention to bring about significant improvements in organisational effectiveness.

- 46 Descriptions of OD activity generally recognise the importance of clear vision and goals; of effective leadership and people management; of organisational and whole system understanding and of the emotional and cultural components of any successful change process. In local government a key element of OD is developing organisations that offer an integrated customer-driven services.
- 47 Responsibility for effective organisational development rests with all leaders and managers, not just the HR function, but from a combination of clear strategic vision (big idea), and forward thinking HR policies and practices.

Challenges for authorities

- 48 If authorities are to be successful in continual improvement, modernisation, efficiency and serving their local communities, they need to prioritise OD and service transformation, making use of process redesign, workforce remodelling and forward thinking HR policies. These issues all link closely to workforce planning as discussed in section 3 on Resourcing, Recruitment and Retention. There are clear links also to the productive time element of the Efficiency Review as discussed later in this section.
- 49 *Process redesign and improvement*
Real improvement in any activity needs redesigned processes and systems. The most effective organisations, in any sector, have a culture that involves regular and continuous analyses of activities (inputs, processes, outputs and outcomes). Local government needs to be much more proficient at continuous improvement techniques. The approach has the potential to make significant contributions to the efficiency agenda as evidenced by the very wide variation, which exist between local authorities in performance and cost. It requires competencies in the workforce and clear leadership at all levels.
- 50 *Workforce remodelling*
Direct replacement of staff with the same job role does not always facilitate a culture of continuous improvement. The best systems have the right balance of professionals, para professionals, operational staff and administrative support. As an example, in some authorities a shortage of planners in development control may be best addressed through process redesign, reallocating tasks to appropriate individuals and building roles around the talents they actually have.
- 51 More generally there is considerable scope for remodelling job profiles to fit both new modes of service delivery and the sharing of services between authorities and within partnerships. It will be increasingly important for authorities to discuss and develop principles for organisational improvement jointly with their partners.

52 *High performance management*

Authorities may need to embrace widespread and difficult organisational changes to achieve improved performance. However, such programmes are likely to stall unless the people management implications are addressed from the outset. As well as increasing the capability of managers to deal with change, it is vital to provide a flexible environment for staff to deliver more effectively to citizens requiring greater choice in the way services are delivered to them. Policies in this area must promote a healthy organisation and have due regard for the health, safety and welfare of staff.

53 *Productive time*

The Efficiency Review offers authorities a real opportunity to focus their organisational change programmes. Workforce transformation will be essential to deliver both improved services and greater efficiency. Conversely, failure to make the connections and to develop and implement a strategy for addressing the people management impact is likely to result in lower efficiency gains.

54 Productivity can be improved in a number of ways, including business process redesign. The pay and rewards section of the Strategy identifies the need to link pay progression with objective criteria, to develop people to fulfil their potential, and the benefits of more flexible working arrangements. The Efficiency Review also calls for front-line staff to spend more time actually delivering services, particularly by exploiting the benefits of information technology. Such optimisation of productive time cannot be achieved without the right OD policies.

55 One key to productivity is the reduction of staff absence. There are a number of success stories using, for example, the EO's sickness absence toolkit. Best results tend to be achieved where there is a strategic approach to attendance management that includes the establishment of occupational health arrangements and the development of a culture where people want to come to work rather than an intolerance of genuine absence. A ministerial taskforce has been set up to look at how a reduction in absence in the public sector might be achieved.⁵

56 **Local and Regional Actions**

- Business process redesign.
- Workforce remodelling/job redesign.
- Increasing productivity of workforce (including reducing staff absence).
- Undertake systematic workforce analysis and planning.

⁵ Department of Work and Pensions are leading a taskforce on Health, Safety and Productivity 2005.

57 National Actions

- Provide further guidance on how to do OD in authorities.
- Ensure Organisational Development/Business Process Redesign is service specific and linked clearly to performance.
- Have an agreed definition of workforce remodelling in LA.

National Actions	Short term milestones 2005/6	Medium term milestones 2006/8
<p>1.1 Provide further guidance on how to do OD in authorities.</p> <p>Develop action learning set for OD such as diagnostic toolkits, master class, workshops, and champions.</p>	<p>Guidance to be published by July 2005.</p> <p>Further support packages to be available by March 2006.</p>	<p>Majority of local authorities undertaking OD programmes by April 2007.</p>
<p>1.2 Ensure Organisational Development/Business Process Redesign is service specific and linked clearly to performance.</p> <p>Conduct audit of good practice, including joint project with trade unions.</p>	<p>ODPM to put in place Local Government Productive Time Steering Group with membership from local government stakeholders including EO, Trade unions and Centres of Excellence.</p> <p>Case study approach to BPR – link to skills development and improvement to front line service – ODPM/EO to approach IDeA on how this can be taken forward.</p> <p>Briefing and training for Chief Executives on OD.</p>	<p>Annual review of support, impact and revision of guidance.</p> <p>Local government achieves its efficiency targets.</p>
<p>1.3 Have an agreed definition of workforce remodelling in LA.</p> <p>Identify how workforce remodelling can be applied to LA .</p>	<p>To provide web-based guidance on remodelling March 2006.</p>	<p>Annual review of support, impact and revision of guidance.</p> <p>Workforce remodelling to identify job roles appropriate for services.</p> <p>Increasing ratio of para-professional to professional staff.</p>

2 Leadership

Key Issues

- 58** The Government recently published 'Vibrant Local Leadership' (Jan 2005), setting out some of the key leadership issues and challenges facing local government, including:
- Recognising the importance of effective leadership.
 - Investing in its development.
 - Playing a leading role across sectors to further the well-being of communities and the individuals and families who live within them.
 - And developing the people with the talent and commitment that reflect the diversity of the communities they serve.
- 59** The Government will continue investment in leadership capacity via its Local Government Capacity Building Fund, which it jointly controls with the LGA. An improved Capacity Building Programme was announced on 22 March 2005 widening access to funding for local projects, including Improvement Partnerships and National Programmes like the very successful and popular Middle Managers Programme and Graduate Development Scheme.
- 60** The Fund has also supported establishment of the Local Government Leadership Centre (LGLC) which focuses on:
- Making the case for investing in the leaders of today and tomorrow;
 - Providing advice on what works;
 - Developing a range and quality of supply; and
 - Achieving efficiencies through more competitive procurement.
- 61** The Centre's initial focus will be on top teams – both elected members and the senior management teams of authorities but it is also charged with a future leadership agenda. The policies and programmes of the Leadership Centre are expected to respond to the challenges, and deliver on, all of the priorities listed above. For further details please go to www.localleadership.gov.uk
- 62** The Government has also established the Public Services Leadership Consortium, of which the Leadership Centre is an active member, to advance, and develop incentives, for joint leadership and linking of careers across the sectors.

Challenges for Authorities

Political leadership

- 63** There is an urgent need to attract more people from a wider range of backgrounds to stand for local election and to provide them with better training and support. Currently there are 19, 657 elected members in England, the average age of a councillor is 57.8 years (2004) compared to 55.4 years in 1997 indicating the need for effective succession planning by local authorities and political parties.
- 64** There has been some progress in the appointment of female councillors; the percentage of female councillors has increased from 27.9% in the 2001 census to 29 % in 2004.
- 65** Comparisons between the 1997 and 2001 census also show there has been a slight increase in the percentage of councillors from an ethnic minority background although the figures still remain significantly low. However it appears that councillors stay for a shorter period, an average of 8.3 years in 2004 compared with 9.2 years in 1997.
- 66** The Table below shows the percentage breakdown of local councillors over the last seven years by gender, ethnicity and length of service¹:

	1997	2001	2004
Male	n/a	71%	70.3%
Female	n/a	27.9%	29%
White	97%	97.4%	96.5%
Ethnic minority	3.0%	2.5%	3.5%
Average length of service as a councillor	9.2 years	8.3 years	9.3 years

- 67** The IDeA and EO have published a national census of local authority councillors in England 2004. The results of the data will further inform the work of the Leadership Centre. The Leadership Centre has also undertaken research polling Chief Executives and Leaders need for Leadership Development.

¹ Source : IDeA/EO National Census for Local Authority Councillors 1997 and 2001 , 2004 data to be published Summer 2005.

- 68 In addition, ODPM has commissioned the Leadership Centre to undertake a series of Chatham House Rules events to try and map the emerging political leadership agenda.

Managerial Leadership

- 69 Managerial leadership in local government is still a complex role requiring senior managers to facilitate and support the vision of the council with political leaders while also enthusing and providing clear direction to often large, complex and multi-functional organisations.
- 70 It is vital, therefore, that the local government sector is able to attract, develop and retain a more diverse and talented pool of individuals into its managerial leadership positions. There needs to be greater flexibility and transferability between the public, voluntary/community sector and private sectors which will widen the supply of senior managers and Chief Executives.
- 71 In addition there are some specific, and persistent, issues to be addressed:
- 72 Firstly, there is a strong bias to look within the sector when recruiting to leadership positions. Earlier data shows that around 90% of leaders are recruited from within the sector, restricting the pool of talent and breadth of experience coming into authorities. While updated data is not yet available to monitor progress on this issue, it is recognised that authorities should make efforts to recruit more widely and market the sector more effectively (see Resourcing, Recruitment and Retention section).
- 73 Secondly, the issue of equality and diversity remains a significant challenge. Women only make up just over a quarter of local government's top 5% of earners. The rate of increase in senior managers from black and ethnic minority backgrounds has been slower and this group is only still 2.6% of the overall total. Central and local government need a better understanding of, and practical ways to remove, the ongoing barriers to entry and the inhibitors which limit development of existing and new talent.
- 74 Thirdly, the task of developing and training local managerial leaders has benefited from steps already taken by local government's own central bodies as well as professional bodies such as SOLACE(Society of Local Authority Chief Executives) and SOCPO (Society of Personal Officers in Government). Currently 20% of local authorities have succession planning in place compared to 4% in 2001. However, many more authorities need to develop succession planning as the majority of future leaders will continue to emerge from within the sector. There is also a wider challenge to build leadership right across the public sector to advance a 'single public sector leadership cadre'

and develop a common set of leadership characteristics and developmental HR tools to achieve that aim.

75 Good progress has been made on managerial leadership and the Pay and Workforce Strategy will continue to focus attention on this area. Developing the capacity of political leaders will be taken forward largely by the Leadership Centre working with local government and political parties.

76 Local and Regional Actions:

- Authorities to work jointly on a regional or sub regional basis to improve leadership and skills through Improvement Partnerships.
- Increase take up of leadership development programmes.
- Embed Succession planning as part of workforce planning.

77 National Actions:

- Track development of all national leadership programmes.
- Facilitate cross sector learning on leadership with the Public Sector Leadership Consortium (PSLC).
- The Leadership Centre to develop programmes that delivers on the Vibrant Local Leadership agenda (see above), in addition to:
 - Work directly with the Cabinet and Chief Executive teams to assess their council’s leadership requirements and procure development to meet them
 - assume responsibility for the Future Leadership programme
 - Develop relationships with other leadership centres across the public sector and improve the coherence of the “leadership offer” to LSPS, Councils and their partners.

National Actions	Short term milestones 2005/6	Medium term milestones 2006/8
<p>2.1 Track development of all national leadership programmes.</p> <p>Track needs and success of women and black and minority ethnic leaders.</p>	<p>Review programmes and develop baseline position by March 2006.</p>	<p>Undertake assessment of programmes by March 2007-8.</p> <p>Greater % of leaders engaged in leadership development.</p> <p>Greater % of authorities undertaking succession planning.</p> <p>CPA results and other external assessment demonstrating that leadership skills are improving.</p>
<p>2.2 Facilitate cross sector learning on leadership with the Public Sector Leadership Consortium. (PSLC)</p> <p>Collaborate with Cabinet Office project on Customer focused leadership.</p>	<p>Memorandum of Understanding operating with other public sector leadership programmes by March 2006.</p> <p>Develop diversity projects with PSLC partners.</p> <p>Scope and develop work on talent management with Department of Health.</p>	<p>Review of success of work with other public sector leadership programmes and action to address new opportunities or any deficiencies March 2007.</p>
<p>2.3 The Leadership Centre to develop programmes that delivers on the Vibrant Local Leadership agenda (see above), in addition to:</p> <ul style="list-style-type: none"> - Work directly with the Cabinet and Chief Executive teams to assess their council's leadership requirements and procure development to meet them, - assume responsibility for the future leadership programme <p>Leadership throughout the organisation: Identify "Leadership trickle down"</p> <ul style="list-style-type: none"> - how to move from top leadership to front line management. 	<p>Develop analysis tools and programmes.</p> <p>Working with at least 75 authorities by March 2006.</p> <p>Through creating a centre of excellence assist with all local authorities developing and delivering in-house leadership projects.</p>	<p>Evaluate extent to which improvement partnerships have delivered commitments on leadership agenda.</p> <p>Measure impact of the Leadership Centre.</p>

3 Developing the skills and capability of staff

Key issues

- 78 Many local authorities provide job or task specific training to a high standard for their staff but many do not take sufficient account of strategic issues. All local authorities need to provide more meaningful staff development through skills and career pathways. Authorities need to:
- Adopt a strategic approach that embeds skills development in their approach to organisational development.
 - Assess and provide the specific skills that are needed to achieve continuous improvement of services.
 - Enhance the general capability of staff at all levels.
 - Develop local and regional partnership approaches to skills development.

Challenges for authorities

- 79 A strategic approach to training and development can be facilitated by rigorous analysis and planning. Investors in People (IiP) has become recognised as a methodical, externally verified standard, which demonstrates that staff development is fully integrated into organisational development. IiP coverage of the local government workforce reached 74% in 2004. This compares well with the UK average of 29%. The EO is working with IiP UK to develop more local government specific support for authorities, linked to a new profiling tool from May 2005. The new version of IiP places great emphasis on customer focus, which is of course a vital skills area for staff.
- 80 There is also a challenge around the strategic fit of current training and development priorities. Results from the EO People Skills Scoreboard survey show that spending on training per head has increased from £176 in 2001 to £216 in 2004 but there is a need to ensure that this money is being spent to good effect. 14% is spent on management development 11%, on professional qualifications and 11% on continuing professional development. Between 2001 and 2004 the apportionment of the training budget remained surprisingly constant and authorities should review this.
- 81 The Scoreboard also reports an average of 1.5 days on formal training courses in 2004 compared with a recent CIPD survey showing that the average number of off the job training days in the public sector was 6, with 5 in the private sector. Authorities need to review whether this is sufficient,

taking a look at the recommendations in the 2004 Scoreboard report at <http://www.lg-employers.gov.uk/skills/people/pss.html>

- 82** Skills that managers and the workforce need to develop or acquire to ensure they are able to achieve continuously improving, efficient services include:
- Organisational development and change management.
 - Business process redesign and analysis.
 - Performance, productivity and people management.
 - Customer relations management.
 - Project and financial management.
 - Procurement and client side management.
 - Partnership working and community engagement.
 - Managing and promoting diversity.
 - Maximising use of technology.
- 83** Many authorities recognise that they have these key skills needs and are taking action to address them. To support local authorities, national initiatives such as: a procurement skills framework; strategic human resources skills framework; new performance management guidance; a new Local Government Managers' Faculty and guidance on best practice in management development are available.
- 84** The challenge of broadening the basic skills of the wider workforce is considerable. Over 27% of local government employees either hold no qualification or hold a National Vocational Qualification below Level 2, 11% of the workforce has literacy problems and 40% are not fully numerate. A range of initiatives are being designed to offer more support and development opportunities, this includes a new national 'Generic Skills Framework' for local government and a Skills for Life campaign. Approximately 55% of authorities are in some way involved in these projects.
- 85** The challenge of developing a partnership approach to learning and development has begun to be addressed. The Learning and Skills Council (LSC) has now made Public Services, including local government, one of its six priority areas. In some areas they have helped authorities to develop management and leadership skills and other authorities are encouraged to take advantage of this offer.

86 Local and Regional actions

- Commit fully to being liP recognised employers and use liP to actively transform local authorities.
- Identify the skills needs of their workforce and put in place appropriate support programmes, giving particular consideration to ‘skills for life’ initiatives.
- Enhance partnership approaches to training and development, especially with local LSC.

87 National actions

- Encourage effective development of skills that help to improve services and ‘skills for life’ in local authorities.
- Promote authorities working with their local Learning and Skills Council.
- Further develop and promote skills pathways approaches.

National Actions	Short term milestones 2005/6	Medium term milestones 2006/8
3.1 Encourage effective development of skills that help to improve services and ‘skills for life’ in local authorities.	Audit frontline skills and prioritise skills development.	Review effectiveness of skills audit tool Sept 2006.
Promote skills as integral to recruitment and retention issues in LA.	Identify relevant vocational pathway programmes.	Reduce skills shortages in key areas by 2008 (E.g. procurement).
Identify how LA buy-into learning and development agenda.	Roll out information on best practice in skills development – EO/IDeA.	Skills brokerage – help LA to make sense of what is out there and how it can help their workforce.
Work with Sector Skills Councils on key occupational areas.		

National Actions	Short term milestones 2005/6	Medium term milestones 2006/8
<p>3.2 Promote authorities working with their local Learning and Skills Council.</p>	<p>Launch Learning and Skills Council local government guidance.</p> <p>Promote best examples of learning partnerships.</p> <p>Ensure agreement with sector skills council and that local authority workforce is represented in the 13/14 skills groups.</p>	<p>75% of authorities working with their Local LSCs to address skills needs, including basic skills.</p>
<p>3.3 Further develop and promote career pathways</p>	<p>Roll out of EO/IDeA programme.</p>	

4 Resourcing, recruitment and retention

Key issues

- 88** Whilst individual local authorities have attempted to address recruitment and retention issues, the sector as a whole has failed to recruit and retain enough skilled staff. Downward pressure on budgets in the past led some authorities to reduce training activity and budgets, with increasing reliance on devices such as paid temporary contracts for staff with specific skills that are then lost to the authority. This approach is not sustainable.
- 89** What is required is an appropriate system of workforce planning which:
- Projects workforce trends for individual authorities' and identify future staff numbers and skills needed.
 - Includes gender, race and disability data.
 - Analyses future changes such as use of technology in service improvement and reduction in needs for services.
- 90** Workforce planning needs to be integrated into corporate and service planning. Leaders and Chief Executives need to focus on people management as a strategic rather than technical issue. This includes a focus on high-performance people management as a means of developing and retaining staff. Workforce plans should be capable of aggregation at

sub-regional, regional and national levels to help develop solutions as well as share problems. In some cases this will not be through recruitment but business process redesign. Shared workforce plans must lead to shared actions; local authorities need to co-operate, not compete.

Challenges for authorities

91 The current top ten occupational shortages are set out below.

Occupation	% of <i>employing</i> councils reporting recruitment problems	
	2003	2004
Social worker – children and families	83	89
Social worker – community care	n/a	75
Occupational therapist	45	73
Environmental health officer	41	67
Trading standards officer	36	63
Social worker – residential	n/a	61
Planning Officer	79	60
Building control officer	32	59
Educational psychologist	34	57
Teacher	29	52
Librarian	n/a	48

92 Problems have increased in all but one area but this is not unexpected because efforts to increase the number of recruits and professionals in training can take a number of years to produce results. Librarians have come into the top ten for the first time ever this year and this needs to be investigated.

93 In some areas action taken to address skill shortages are beginning to bear fruit, for example there has been a significant rise in the numbers of new trainees in environmental health and social work (the number of trainee environmental health officers has gone up from 275 a year in 2001 to 400 a year in 2004. The number of staff training for the Diploma in Social Work has gone up from 1,782 in 2002 to 2,739 in 2003. In 2003 this equated to 3.5% of the filed social worker workforce and rise from 1.7% in 1999).

- 94 A new project has also been set up to support authorities in creating skills pathways in skills shortage areas. The initial focus has been on developing a generic model to support this work and on beginning the process in the social care field. In addition, a Ministerial group is planning action to address social work shortages. The impact of organisational development should help local authorities identify the roles of professionals and new para professionals in the workplace.

Recruiting well – recruiting wide: e-recruitment, growing and nurturing talent

- 95 The value for money case for e-recruitment is strong and many authorities are beginning to benefit. For example, the cost of placing an average advert in a broadsheet is £4-5K, whereas using a website costs about £50. This provides efficiency savings, as well as widening the recruitment pool for individual authorities, so it must be fully embraced. However, e-recruitment needs to be equality proofed in terms of its accessibility, design, take up and outcomes by different groups.
- 96 Although many authorities are the main employers in their own areas – particularly in rural areas, local government is not generally the employer of choice for skilled younger workers. More jobs are being created across the economy and there are fewer young people joining the workforce so many leading employers are taking action to ensure they identify and grow their own talent.
- 97 A successful start has been made in local government through the National Graduate Development Programme (NGDP), but more needs to be done in a coordinated way both locally and regionally through initiatives such as Surreyjobs (which brings together the authorities in that County to provide a common web portal for jobs information) and nationally through partnerships with organisations like jobsgopublic. The sector has a unique advantage, due to its strong links and access to schools, Regional Development Agencies, Connexions Partnerships and further and higher education institutes. A partnership approach to address labour market shortages should be fully explored.
- 98 Finally, with more than 30% of the local government workforce due to retire over the next 15 years, authorities need to develop strategies for actively managing older workers, and attracting older recruits into the workforce. Modernised recruitment processes, flexible working, downshifting, positive attitudes towards employing and retaining disabled staff, reskilling and training that reaches all age groups, active management of health and other initiatives aimed at changing expectations and attitudes will be needed.

99 Local and Regional Actions

- Undertake systematic workforce analysis and future planning.
- Encourage regional and sub-regional programmes to address present and future key skills shortages.
- Identify benefit and greater use of e-recruitment.

100 National Actions

- Support authorities in setting up career pathways in skill shortage areas.
- Promote local government as a career with diversity of jobs and roles.
- Provide advice on recruiting and retaining older workers and disabled workers.
- Develop better intelligence on the future workforce, including collecting better workforce data.

National Actions	Short term milestones 2005/6	Medium term milestones 2006/8
4.1 Support authorities in setting up career pathways in skill shortage areas.	Skills pathways in 5 of the top 10 skills shortage areas created by March 2006.	Skills pathways achieving at least 25% usage among authorities by March 2007.
4.2 Promote local government as a career with diversity of jobs and roles.	Develop a partnership approach to increase awareness of local government careers.	Review effectiveness of existing promotion campaigns. Careers in LG to be in top 20 of graduate choices
4.3 Provide advice on recruiting and retaining older and disabled workers.	Comprehensive web-based advice on age issues by August 2005.	Review success of Programme by January 2008.

National Actions	Short term milestones 2005/6	Medium-term milestones 2006/8
<p>4.4 Develop better intelligence on the future workforce, including collecting better workforce data.</p> <p>Identify why workforce planning blockages exist.</p>	<p>Revise future projection of workforce numbers by January 2006, including working with other government departments collecting workforce data.</p> <p>Provide national support to workforce planning, including monitoring progress at local and regional level.</p> <p>Roundtable discussions on the future size and shape of the workforce.</p>	<p>Create consistent national and regional system on workforce planning and establish more effective programmes to address shortages.</p> <p>80% of authorities have a Workforce Development Plan by 2006.</p> <p>Integrate future workforce issues into the 10 year vision for local government.</p>

5 Pay and rewards

Key issues

- 101** Results from the EO's 2004 survey of local pay reviews show that some progress has been made in modernising local pay systems. For example:
- 32% of respondents have completed pay and grading reviews and 42% have them under way.
 - 68.5% of respondents have introduced narrow band pay structures and 13% have opted for broad bands.
 - 28% have opted for career graded structures in which a series of narrow pay bands are closely linked through career based progression criteria.
 - Although 78% of respondents have retained automatic incremental progression in some way, 52% have introduced some form of merit-based progression.
 - Around 10% of respondents are looking at flexible benefit systems and 14% are reviewing their non-pay reward systems.⁶

⁶ (results based on 180 returns, amounting to 44% of English and Welsh authorities)

102 Progress will be helped if local authorities follow the joint national advice on the conduct of pay reviews and equality impact assessments published recently by Employers and Unions. However, there are wider challenges facing all authorities. These include:

- Addressing the causes of the gender pay gap, including occupational segregation and the unequal impact of family responsibilities as well as direct pay discrimination.
- Dealing with the requirements of the Review of Public Sector Efficiency, particularly with regard to productive time.

Challenges for authorities

103 Authorities need to find a way to ensure that the 60-70% of their budget that is spent on pay is spent to good effect.

104 A key aim is to develop a total reward environment in local government. Total reward systems show that it is not just pay that matters but also other elements such as the development opportunities that staff have, their working environment, non-pay rewards etc. It is useful to communicate to staff and potential recruits the full value of the rewards they receive. Individuals can be allowed to “flex” the packages they receive so that they get more of whatever element is important to them at different stages of life. The Cabinet Office is developing public sector advice on total rewards.

Equal pay – Equal value

105 The 2004 pay agreement requires authorities to complete and implement equal pay reviews by March 2007. Authorities should not limit reviews to a re-evaluation of existing jobs within the existing pay structure but should seize the opportunity to:

- Implement pay banding structures that are linked to opportunities for personal development, such as skills pathways. The Local Government Pay Commission was wary of very broad pay bands, which can be discriminatory but staff need more open opportunities to move between grades.
- Redesign jobs (before evaluation), which will be more productive and potentially offset some of the cost of single status.
- Consider flexible benefits packages that provide for a range of non-pay benefits that can be traded, for example against basic pay. This can enable more tax-efficient packages to be developed at little additional cost while helping authorities to compete in the local labour market.

- Evaluate and promote the total value of the package given to employees. As the Pay Commission observed, the local government package is generally regarded as a favourable one but is undersold. The appraisal of reward packages must include the implications of local labour market conditions, as mentioned, because it is only with this sort of information that authorities can develop a viable pay structure and tailor other rewards.
- Look critically at premium payments like overtime and unsocial hours. The extensive use of premium rates for night, weekend, and shift working, can generate costs that limit service reform. By redesigning business process, a more flexible workforce can be created that meets the needs of both employees and customers.

- 106** National and regional advice and support will be available to authorities. In particular, further advice will be available on the conduct of job evaluation, pay market intelligence and development of pay structures and progression systems.

Occupational segregation

Removing pay discrimination will close the gender pay gap but will not eliminate it. Women and people from ethnic minorities are often clustered in lower paid jobs and are concentrated in specific sectors; they are also not adequately represented at senior management level. This is a long-term socio-economic problem but many authorities are examining ways of tackling this issue. More work needs to be done and practical examples need to be provided. ODPM will also be commissioning research into occupational segregation as part of an effort to identify and disseminate good practice. Authorities need to tackle this issue locally.

Work life balance

Many employees with family responsibilities for children and older people wish to continue working, perhaps on a part-time basis, but are often unable to do so. This means that useful skills and experience are lost. The Pay Commission noted:

“The report of the working party entitled *Finding the balance: work life policies in practice* (2001) provides much useful guidance as to the ways and means by which a positive approach to working arrangements can be linked with the improvement of services.

We support and echo its guidance and recommend that consideration be given to how to promote it further.”

- 107** Local authorities need to create a culture where there is greater choice in flexible working.

Pensions

108 The Local Government Pension Scheme is a fundamental part of the reward package in local government and is highly valued by employees. A modernised pension system has:

- To be integrated into the total reward package set out for employees.
- To be valued by employees as an important part of their remuneration package.
- To be attractive to both current and prospective employees, to assist employers in recruitment, reward, motivation and retention of their employees and for its exit gateways (ill-health retirement, early retirement, etc), to be consistent with workplace policies on sickness absence, ill-health and re-skilling, re-training, etc.
- From the employers' perspective, to deliver value for money in terms of the long term and short term cost requirements set against the contribution that employees make to services.

109 Local actions

- Progress towards completion of pay reviews within the pay agreement timescale.
- Develop and promote total reward systems.

110 National actions

- Continue to provide advice and support on Job Evaluation and other aspects of pay reviews, including equal pay.
- Provide advice on total rewards systems.
- Provide practical advice to authorities on tackling occupational segregation

National Actions	Short term milestones 2005/6	Medium term milestones 2006/8
<p>5.1 Continue to provide advice and support on job evaluation and other aspects of pay reviews, including Equal Pay.</p> <p>Instigate roundtable discussions on pay.</p>	<p>EO Survey September 2005.</p> <p>Further negotiations on revising national pay agreement continue at National Joint Council level, with open timetable.</p> <p>Review authorities' progress and need for further guidance April 2006.</p>	<p>Pay Agreement fully implemented by April 2007.</p>
<p>5.2 Provide advice on total rewards systems</p>	<p>Cabinet project to report in June 2005.</p>	<p>Total reward statements being introduced by most local authorities by April 2007.</p>
<p>5.3 Provide practical advice to authorities on tackling occupational segregation.</p>	<p>Commission research and develop programme of action, including roundtable discussion on key findings.</p>	<p>Evaluate impact of programme.</p>

Section 4

Next steps for implementation

- 111** This section provides an outline on how ODPM and EO will work with key stakeholders to manage and implement the strategy.
- 112** Nationally, the partners will continue to:
- Develop an updated action plan with the National Implementation Group members.
 - Revise and update baseline measures and performance indicators, including setting targets in all areas.
 - Promote the strategy and ensure buy-in from members, chief executive and senior officers.
 - Analyse the key current and future local government workforce issues by working closely with the Children's and Social Care Pay and Workforce strategies.
- 113** The National Implementation Group will meet to prepare a revised implementation plan, which will be made available in due course. It will set out in more detail the programmes and projects identified as having a key role to play in ensuring that the milestones set out in the strategy are achieved.
- 114** Regionally, interested parties will continue to:
- Identify and address the key overall regional workforce issues and implement pilot projects.
 - Support authorities in achieving efficiency savings in relation to workforce issues.

Regional support will be provided by the EO Regional Employers' Organisations and ODPM Regional Directors. ODPM Regional Directors will be responsible for coordinating and linking regional initiatives.

Communications Strategy

115 There is a continuing need to promote basic awareness of the Strategy as well as to promote buy-in amongst political leaders, chief executives and senior managers who are responsible for setting the strategic agenda in local authorities. There are positive signs that the Pay and Workforce Strategy is beginning to guide thinking and encourage change at local levels. The communications plan will ensure that concise statements of the key messages are produced and there are clear signposts to help and support local authorities.

The revised communication plan proposes some additional ways to get the message across, including:

- Developing PWS Progress and Success Stories booklet by September 2005 (then aim to produce such a booklet annually).
- Promoting showcase speakers from authorities (particularly Chief Executives, where possible).
- Developing a continuous dialogue with chief executives and senior managers.
- Producing a Pay and Workforce Baseline Data benchmarking poster and circulate to all authorities by November 2005.
- Ensuring linkages with Regional Centres of Excellence.
- Periodic e-bulletins to all authorities giving short updates, particularly news about how authorities are implementing their workforce strategies and national/regional progress reports.

Annex 1

Projects currently supporting the Local Government Pay and Workforce Strategy (2004-2006)

Priority Theme	Projects	Projects funded by ODPM
Organisational Development	<ul style="list-style-type: none"> Organisational development in local government (Solace) HR Capacity Development programme (EO) <p><i>Other Projects:</i></p> <ul style="list-style-type: none"> Guidance on achieving the full Generic Equality Standard Investors in People development project Performance Management and Improvement (PWC and Solace) Peer Clearing House (IDeA) 	<ul style="list-style-type: none"> £145,550 – 05/06 £1m – 04/05
Leadership	<ul style="list-style-type: none"> Local Government Leadership Centre National Graduate Development Programme (EO) Pilot Accelerated Development Programmes (EO) Future Leadership Programme (Deloitte, Ashridge Business and OPM) Cllr Mentoring Programme (IDeA) <p><i>Other Projects:</i></p> <ul style="list-style-type: none"> Leadership Academy (IDeA) Advanced Leadership Programme (IDeA) Cross-sector leadership course (CMPS) Academy for Sustainable Communities Beacon Council Scheme (ODPM/IDeA) Modern Members (IDeA) Faculty for local government managers (EO/ILM) 	<ul style="list-style-type: none"> £12m – 04/05 to 07/08 £2.6m – 04/05, £405k – 05/06 £261k – 04/05, £292k – 05/06 £504k – 05/06 £520k 05/06

Priority Theme	Projects	Projects funded by ODPM
Skills and capabilities	<ul style="list-style-type: none"> ● Skills and career pathways programme ● Procurement Skills training and Gateways (4Ps) ● E-govt core competency framework <p><i>Other Projects:</i></p> <ul style="list-style-type: none"> ● Project and Programme Management (Roffey Park) ● Gateway reviews (4Ps) ● Beacon Council Scheme (ODPM/IDeA) ● Faculty for local government managers (EO/ILM) 	<ul style="list-style-type: none"> ● £400k – 04/05, £400k – 05/06 ● £1m – 05/06 ● £290k 05/06
Resourcing and Recruitment	<ul style="list-style-type: none"> ● Public Protection training programme (EO) ● Workforce Remodelling Project ● Diversity in Districts <p><i>Other Projects:</i></p> <ul style="list-style-type: none"> ● Provision of advice and guidance on recruitment and retention ● Joint e-recruitment portals 	<ul style="list-style-type: none"> ● £1m – 04/05, £800k – 05/06 ● £150k – 2004 to 2006, £125k approved for 05/06 ● £140K – 04/05
Pay and Rewards	<ul style="list-style-type: none"> ● Actions to support the implementation of the three year pay agreement of June 2004. ● Six employer/trade union working groups implementing outstanding pay commission recommendations 	

