

**Meeting of the Workforce Partnership Council
Thursday 10 December 2015
Cathays Park, Cardiff
Draft Meeting Notes**

1. Welcome and Opening Remarks

1.1 The First Minister welcomed everyone to the final meeting of the year of the Workforce Partnership Council (WPC). In addition to WPC Members attendees included the Minister for Finance and Government Business, the Minister for Public Services, the Deputy Minister for Skills and Technology, and the Chair and Chief Executive of the Public Services Staff Commission.

1.2 Apologies and substitutes had been received and are recorded in this meeting note.

2. UK Government Spending Review and the Welsh Government Draft Budget

2.1 The Minister for Finance and Government Business presented the Welsh Government's Draft Budget for 2016-17, published on 8 December, which sets out how the Welsh Government will respond to the latest round of real terms cuts announced by the Chancellor of the Exchequer in the UK Spending Review and how spending plans are prioritised. The Minister outlined the Spending Review context, explaining the overall resources available to the Welsh Government will reduce in real terms by 3.6 per cent by 2019-20. This comprises a revenue reduction of 4.5 per cent in real terms and a real terms increase in capital of 4.7 per cent. This overall reduction follows on from an 8 per cent real terms decrease between 2010 and 2015.

2.2 The Minister explained that as approximately 70 per cent of the Welsh Government's spending is used for the wages and salaries of our public service workforce this revenue decrease is critical. The Welsh Government is doing everything it can to minimise the negative effects of austerity on public service users and the public service workforce given the scale of the cuts. The Minister described the key decisions in the draft budget, focusing on a strong NHS, action to boost infrastructure investment, investing in schools and protecting budget provision for post 16 education, and providing local government with a better overall settlement in 2016-17 than Councils in England. The Minister stressed the importance for local government, together with all public services, to continue to explore innovation in service delivery and how they can invest in transforming services in preparation for the financial challenges for the future.

2.3 Regarding Higher Education, the Minister said Professor Ian Diamond has been commissioned to undertake an independent review of higher education funding and student finance arrangements, to consider the long-term financial sustainability of the Higher Education system. The findings of

this review will be published in the late spring of 2016 and will help inform the next steps for higher education funding in Wales. In the interim, the Welsh Government are allocating an additional £10m to Higher Education in recognition of the pressures on student support for 2016-17, to enable the continued delivery of the tuition fees commitment.

2.4 The Minister concluded by summarising that, despite falling real-terms budgets, the Welsh Government have sought to manage these reductions without jeopardising the services that matter most to the people, communities and businesses of Wales. This reflects a strategy that is sustainable in the longer term in the context of the fiscal outlook and the future needs of Wales.

2.5 Dominic MacAskill explained the Trade Unions broadly welcomed the draft budget. They recognise a positive “Welsh way” in funding public services and appreciate the difficult juggling act faced by the Welsh Government as a result of the UK Government’s austerity agenda.

2.6 The general view from the Trade Unions regarding the Local Government draft settlement is that it is as good as it could be. Major challenges remain for that area due to a significant increased demand for public services together with significant reductions in resources. Concerns were highlighted over a narrow interpretation of innovation and efficiency seen in some areas leading to outsourcing to the private and third sector.

2.7 Dominic advised Unison has written to the Minister for Health and Social Services regarding Anheddau Cyf which he explained intended to terminate staff contracts and re-employ them on worse terms and conditions in a similar way to Gofal, where staff transferred from Neath Port Talbot Council and then were dismissed and re-employed on less favourable terms. Further concerns surround the lack of assurances resulting from outsourcing and fragmentation, which undermines the ability to provide support services and manage change. Dominic gave the example of Merthyr Tydfil County Council contracting with PWC to carry out work on identifying savings which could have been done in-house.

2.8 Steve Thomas (on behalf of the WLGA) welcomed the decisions around the draft settlement, which he recognised as both a surprise and a progressive decision. Whilst it was recognised austerity continues, the investment in social care and the NHS was welcomed which, as with education, is crucial to transformation. It was recognised there was an increasing divergence between the position of Welsh and English Local Authorities. He indicated that those areas of Local Authority services which were unprotected could struggle over the next few years.

2.9 Rex Phillips welcomed the 1% protection to schools but highlighted that redundancies were still occurring, with around 600 practitioner posts lost in the last year.

2.10 Dawn Bowden outlined two policy areas of the NHS where Wales and England differ, namely the Living Wage and student nurse bursaries. The

Trade Unions have informed the Minister for Health and Social Services that they would like to see both these areas maintained. It was acknowledged there is no extra money or easy answers. It was understood that student nurse bursaries would continue for one year but there were no commitments past that time. Dawn hoped the Living Wage would be factored into the calculations and that student nurse bursaries would continue.

2.11 Greg Walker expressed Colegau Cymru's appreciation with the draft budget, which provides a welcome level of protection to Further Education following a tough year for the sector.

2.12 Margaret Thomas on behalf of Trade Unions applauded Welsh Government protecting key services. Trade Unions have a clear and consistent position in arguing against budget cuts, but they would work together with Welsh Government and public sector employers to seek to ensure the available funding is spent responsibly. This included avoiding the use of consultants and the outsourcing of services where the skills to carry out this work were available within the public service.

2.13 Gareth Howells explained that whereas Prospect is concerned about the financial difficulties facing the public sector, he was pleased that representations put forward by the National Library and National Museums had been listened to. While challenges still remain, the Welsh Government's approach was appreciated.

2.14 The Minister for Finance and Government Business thanked the WPC Members for their comments, explaining the draft budget has been difficult due to the latest ever UK Spending Review. The Minister noted that points made by Dominic and Steve have also been raised recently via a joint letter from Aaron Shotton and Huw David regarding preventative investment and the integration of health and social services. The Minister has discussed safeguarding concerns with third sector representatives and explained the Minister for Education and the Deputy Minister for Skills and Technology are working closely with Local Government on the extra funding.

2.15 The Minister reiterated the Welsh Government's support for the Living Wage and emphasised the importance of the Workforce Partnership Council in working together to support the public service workforce in Wales.

3. Workforce planning and mobility

3.1 The Deputy Minister for Skills and Technology introduced the paper and thanked the sub-group for the considerable work that has been undertaken in a short period of time. The Deputy Minister described the key elements of the paper including the workforce analysis and the letters from Ministers to HR Directors, Leaders and Trade Union representatives relating to supporting mobility and redeployment.

3.2 The Deputy Minister invited feedback both on the analysis and the Ministers' letters to HR Directors and Trade Union representatives via Sector

group representatives. This included seeking views on how discussions were progressing, with a view on the likelihood of a single position for each sector by 20 January.

3.3 The outcome of these discussions and responses from sectors will form the basis of an item for the March Workforce Partnership Council meeting, which would reflect as narrow a set of options as possible drawing on the responses.

3.4 Margaret Thomas outlined that the Trade Unions were aiming to meet the 20 January deadline and to have an agreed common position. A meeting is scheduled for the 21 December, where the aim is to co-ordinate responses and subsequently to meet with the Sector Groups.

3.5 Alison Ward offered in her role as Joint Secretary to follow up with senior leaders where responses had not yet been received to the Ministers' letters.

3.6 David Evans highlighted that as school governing bodies were the employers in schools and had the power to 'hire and fire', they should therefore be included explicitly in this work. David asked for an update on the possible devolution of teachers pay.

3.7 The Deputy Minister explained that teacher and teaching assistant numbers were included within the workforce analysis. Individual schools as employers were not targeted in the current work on mobility, although Local Education Authorities are. The immediate focus is to establish and implement basic principles in order to get these right before expanding into more complex areas such as school governing bodies.

3.8 The First Minister explained there are no new developments with regard to teachers' pay, with the UK Government retaining a position against teachers pay being devolved. The Welsh Government views this position as increasingly incongruous and unsustainable, and more broadly has significant concerns regarding the current Draft Wales Bill which appears to represent a step in the wrong direction on employment issues.

3.9 Dawn Bowden explained that the workforce planning and mobility work was discussed at the recent NHS Partnership Forum. A joint meeting will take place in the New Year, seeking to agree a joint response where possible, though there may be areas where this is not possible.

3.10 Richard Tompkins outlined that a draft response had been co-ordinated from NHS Workforce Directors for discussion at a meeting on 17 December, with the aim to provide a finalised response by the 20 January deadline.

3.11 Greg Walker explained although Further Education colleges are not public sector, they were keen to participate. Some workforce returns had already been received and the remainder should be provided by the end of the year.

3.12 Gareth Howells was aware of a response from the Royal Commission for Ancient and Historical Monuments of Wales, which had reflected discussion with the Trade Unions. Gareth was concerned, however, that engagement on this matter was not necessarily taking place at a local level.

3.13 Anna Freeman stated local government were developing an employers' response, but the sector would not be in a position to consider a joint response by the 20 January, so anticipated two separate positions.

3.14 The Deputy Minister thanked the Workforce Partnership Council and asked that they let her know their preferences in relation to supporting mobility by 20 January and to flag if there are any issues in meeting this deadline.

Action Point: Alison Ward to be advised of organisations which have not provided a response/acknowledgement from Leaders to the letters sent from Ministers on mobility and workforce planning, to enable her to follow up as appropriate. (Welsh Government)

Action Point: Sector group Joint Chairs/Secretaries to advise WPC Secretariat as soon as possible of any potential delays in providing a response on Workforce mobility options by the 20 January deadline.

4. Public Services Staff Commission (PSSC) operational plan

4.1 Gill Lewis, Chair of the PSSC, thanked the Workforce Partnership Council for the opportunity to present the draft plan, which covers the period January 2016 to March 2017. She noted this is an unusual timeframe and stressed this draft plan is a starting point, flexible and open to change, and reflecting a rolling programme of work. The draft plan takes account of a draft remit provided by Welsh Government.

4.2 Gill expressed her appreciation to WPC Members for their contribution to the development of the plan and welcomed their future support to help deliver it, drawing on expertise in the WPC. The draft plan reflects the “Wales approach” to working effectively in partnership to support public services. Gill emphasised the role of the Workforce Partnership Council as the primary reference point for the PSSC and the importance of the two bodies working together in order to ensure successful delivery of the plan. She welcomed the offers of support from the WPC to date, such as on developing the guidance for public services on the use of zero hours contracts.

4.3 It was explained the plan draws on the principles outlined in the Devolution, Democracy, Delivery strategic reform agenda documents, and the proposals in the Draft Local Government (Wales) Bill. It also incorporates the principles in the WPC's 'Future of Public Services' document. It reflects the non-statutory nature of the Commission and its role to advise Ministers on workforce issues related to public service reform. The draft plan outlines the strategic principles and is centred on three themes:

- Transformation;
- Transferability; and
- Transactional

Elements within these themes are outlined at pages 14-19 of the plan. It was explained these are not mutually exclusive and are high level descriptors for key areas of work. Following the discussion at the WPC meeting the intention is for the plan to be updated to reflect feedback and be sent to the Minister for Public Services to consider and confirm it complies with the remit letter.

4.4 Alison Ward explained the employers have discussed a draft of the plan and have already sent suggestions for specific amendments to the Chair and Chief Executive of the PSSC. Key issues flagged were that the “Welsh way” is fleshed out. She was pleased to see that the ‘Future of Public Services’ principles are now included (at Appendix C in the latest draft). She felt there should be more clarity as to whether specific elements within the plan relate to public services as a whole or are specific to Local Government reform, and that more information on timescales would be welcomed.

4.5 Margaret Thomas explained the Trade Unions have a number of questions, concerns and suggestions. These included clarifying the relationship between the PSSC and the Workforce Partnership Council and incorporating a definition of the term ‘primary reference point’ in a separate section of the plan. It was noted the PSSC has a different relationship with the WPC than stakeholders generally and this should be made clear.

4.6 The Minister for Public Services explained his intent to issue the remit letter next week (w/c 14/12/2015). More explicit definition of primary reference point may present some legal considerations. Margaret explained the Trade Unions are pleased with the inclusion of the ‘Future of Public Services’ principles but that these should be in the main body of the plan. There were also concerns that in some areas the plan could stray into issues covered by collective bargaining.

4.7 The First Minister summarised that although there were a number of comments there did not appear to be a fundamental disagreement. Final comments should be sent to Gill Lewis via the Joint Secretaries by Thursday 17 December.

Action Point: WPC Members to provide final comments on the draft PSSC operational plan to the Joint Secretaries to collate and send to Gill Lewis by Thursday 17 December.

5. UK Government Trade Union Bill

5.1 The First Minister provided an update on the latest position. He has written to the Prime Minister to set out the Welsh Government’s position that elements of the Bill relate to areas which are devolved and therefore within devolved legislative competence. The UK Government takes a different view.

A Legislative Consent memorandum has been laid in the Assembly and the accompanying motion will be debated in the New Year; it is likely to be voted down. Should the UK Government not revise its Bill to reflect the will of the Assembly, the First Minister outlined potential next steps after this point including considering the scope for future Assembly legislation and other measures to combat elements of the UK Government's Bill.

5.2 Mike Payne for the Trade Unions thanked the Welsh Government for the approach taken on this Bill, which is seen as an attempt by the UK Government to undermine both the financial stability of Trade Unions (via the removal of 'check off') and their relationships with the employers. He asked the Welsh Government to assist Trade Unions in Wales where possible in relation to mitigating the potential impact of 'check off'.

5.3 Julie Cook said the effort to protect Wales as far as possible from the impact of the UK Government's Trade Union Bill is welcomed by Trade Unions. She went on to thank Employers who were both represented at the WPC and outside of it for their support in opposing this Bill. On behalf of the Trade Unions, the offer was made to support Welsh Government as much as possible in its opposition to the Bill.

5.4 Steve Thomas said there is a forum of UK Local Government Associations meeting in the New Year to discuss the Bill. Scottish Local Authorities had been signalling they may not comply with some of the requirements of the Bill, and their stance and associated legal issues are likely to feature in the discussions.

6. UK Government Public Sector Exit Payments Cap

6.1 The Minister for Public Services advised he wrote to the Joint Secretaries on 10 November after the last meeting of the WPC advising that Cabinet had agreed to seek amendments to the UK Government's Enterprise Bill. The amendments sought would – if agreed – confer regulation-making powers on Welsh Ministers in respect of the devolved public sector workforce in Wales, which the Minister anticipates would cover the value of the cap, what is included in the cap and any waiver arrangements. The Minister explained that the UK Government have previously stated that it is for the Welsh Government to determine if and how they want to take forward similar arrangements in Wales. Once a response has been received and considered an update will be given to WPC Members.

6.2 Darren Williams explained that PCS oppose the UK Government's proposed further reform of the Civil Service compensation scheme.

6.3 James Owen confirmed that the UK Government planned a consultation on reforming public sector compensation schemes, including the civil service compensation scheme, in December 2015. James explained that the terms of the civil service compensation scheme were determined by the UK Government and applied to all civil servants (including Senior Civil Servants) in Wales, including those working in the Welsh Government. Having said that

the Minister for the Cabinet Office had now delegated approval controls to the First Minister

7. Draft Local Government (Wales) Bill

7.1 The Minister for Public Services outlined that on 24 November the Welsh Government published the Draft Local Government (Wales) Bill along with a comprehensive regulatory impact assessment. The Draft Bill includes provisions for the Public Services Staff Commission to be placed on a statutory footing and for it to be granted powers to seek information and provide guidance on workforce matters. The consultation closes in February, enabling legislation to be brought forward post-election.

7.2 It was noted the Local Government (Wales) Act 2015 has now received Royal Assent and will pave the way for the reform.

8. Living Wage

8.1 The Minister for Public Services advised the Welsh Government is now proud to be an accredited Living Wage employer as of November 2015, as recognised by with the Living Wage Foundation. The Welsh Government has taken action to ensure all directly employed staff (aside from apprentices) are paid a Living Wage. The agreement with the Living Wage Foundation rightly goes further than directly employed staff to recognise the workers of contracted out on-site services, and the Living Wage will therefore be considered as existing contracts expire.

8.2 The Minister updated on progress of the work of the Technical Group considering the Living Wage in Local Government. The group has met twice since July and is considering how the Living Wage could be applied on a consistent basis across Local Government in Wales. A meeting this month explored issues of data collection and consistency of approach with other public sector organisations such as those in Health. The group intends reporting to the WPC in March.

9. Any Other Business

9.1 The First Minister referenced the draft notes and actions of the October Workforce Partnership Council meeting. The draft notes were circulated on 10/11/2015 with no comments received and all actions mostly complete.

9.2 There were some final amendments suggested to the notes of the October meeting:

- inserting the word “salary” before “maximum” in para 3.8;
- inserting the words “end of” before ‘check off’ in the para 2.7 after the action point AP15.17); and
- addressing the duplication of paragraph numbering (2.7 is listed twice).

These will be reflected in the final notes of the meeting before circulating.

9.3 The First Minister noted the sector group reports, on which no comments were made.

9.4 The next Workforce Partnership Council meeting will take place on 3 March 2016, which will be the last of this Assembly term. The First Minister thanked WPC Members for their contributions at this meeting and wished them a peaceful Christmas.

Action Point: Amendments to be made to notes of October WPC as outlined in the meeting before finalising.

WPC Meeting Actions: 10 December 2015

15.23	Welsh Government to advise Alison Ward of organisations which have not provided a response/acknowledgement from Leaders to the letters sent from Ministers on mobility and workforce planning in order for her to follow up.	Welsh Government/Alison Ward	Discharged
15.24	Sector group Joint Chairs/Secretaries to advise WPC Secretariat as soon as possible of any potential delays in providing a response on Workforce mobility options by the 20 January deadline.	Joint Secretaries/Chairs of Sector Groups	Discharged
15.25	Joint Secretaries to collate final comments and observations on the PSSC operational plan by Thursday 17 December.	Alison Ward/Julie Cook.	Discharged
15.26	Amendments to be made to notes of October WPC as outlined in the meeting before finalising.	Welsh Government	Discharged

Workforce Partnership Council – 10 December 2015

List of Attendees

The First Minister of Wales (Chair)
The Minister for Public Services
The Minister for Finance and Government Business (item 2)
The Deputy Minister for Skills and Technology
Julie Cook, Wales TUC (Joint Secretary)
Alison Ward, Torfaen County Borough Council (Joint Secretary)
Cerith Griffiths, FBU
Margaret Thomas, Unison
Dawn Bowden, Unison
Dominic MacAskill, Unison
Gareth Howells, Prospect
Darren Williams, PCS
Peter Hewin, BOAT
Rex Phillips, NASUWT
David Evans, NUT
Kevin Tucker, Society and College of Radiographers
Mike Payne, GMB
Lisa Edwards, UCU (until 11:30 am)
Peter Meredith-Smith, RCN (from 12:00 pm)
Anna Freeman, Welsh Local Government Association
Steve Thomas, Welsh Local Government Association
Debra Wood-Lawson, Newport City Council,
Richard Tompkins, NHS Employers
Greg Walker, Colegau Cymru
Joanne Oak, Care Council for Wales
CFO Simon Smith, North Wales Fire and Rescue Services
Sir Derek Jones, Welsh Government

PSSC

Gillian Lewis (Chair)
Alison Phillips (Chief Executive)

Supporting Officials

Alex Rawlin
Matt Jenkins (item 2)
Andrew Johnson
Piers Bisson
James Owen
Judith Cole
Robin Jones
Julie Rogers
Zenny Saunders

Craiger Solomons
Emma Bennett
Chris Hartwell
Clare Lewis
Jonathan Anderson
Richard Harris

Apologies Received:

Paddy McNaught, Unite
Margaret Phelan, UCU
Joanna Davies, Cwm Taf University Health Board
Iestyn Davies, Colegau Cymru
Shavanah Taj, PCS
Tina Donnelly, RCN
Ceri Davies, Pembrokeshire County Council

Higher Education Institutions were not able to provide a representative for this meeting.

Observers

Also in attendance as an observer was a student placement from Cardiff University – Steffan Jones.