

Meeting of the Workforce Partnership Council (WPC)
Thursday 23 November 2017
Cathays Park, Cardiff

1. Welcome and Opening Remarks

1.1 The First Minister welcomed everyone to the meeting. He introduced the Cabinet Secretary for Finance attending for item 1, the Cabinet Secretary for Local Government and Public Services attending for item 4 and the Leader of the House and Chief Whip attending for items 3, 5, 7 and 8. In addition, he introduced Gill Lewis and Alison Ramsey of the Public Services Staff Commission (PSSC) also attending for item 4.

Budget

1.2 The Cabinet Secretary for Finance (CSF) reminded members that the Welsh Government had published its outline and detailed draft budget for 2018-19 in October. In line with the National Assembly for Wales' new procedures the budget was presented in two stages. The first stage, published on 3 October, provided details on where the money comes from and how it will be allocated to different government spending areas. The budget also outlined for the first time the Welsh Government's tax and borrowing proposals as part of its new fiscal responsibilities. The second stage, published on the 24 October, provided a greater level of detail explaining how individual Ministers intend to deploy their resources.

1.3 The CSF highlighted the inherent challenge posed by the timing of the publication of the UK Government's budget on 22 November which meant that the Welsh Government then had to re-adjust its budget. He added that the Welsh Government's budget has been developed against on-going economic uncertainty at the UK level. By the end of the decade the Welsh budget, excluding financial transactions funding, would be 7% lower in real terms than in 2010-11, equating to £1.1 billion less to spend on public services. The CSF expressed his disappointment at the UK Government's continued commitment to austerity measures. He added that UK growth is scheduled to fall every year whilst GDP is only predicted to rise by 1.3% and will have a lasting impact across future years.

Meeting with Chief Secretary to the Treasury

1.4 The CSF confirmed he met with the Chief Secretary to the Treasury on the 26 October during which he called on the UK Government to cancel their planned £3.5 billion spending cut for 2019-20 which could see Wales lose up to £175 million. In addition, he called for the UK Government to lift the public sector pay cap and to provide the Welsh Government with the funding to cover this in Wales.

1.5 Dominic MacAskill asked if the Welsh Government still has a reserve of £200 million in 2019-20 which could fund, amongst other things, the living wage in local government. The CSF stressed the extent of the anticipated funding cuts from the UK efficiency review that had to be planned for, with an assumption made of £100m from Welsh Government which made up part of the £200m. The remainder was the general low level reserve held every year. The savings required in the Autumn Budget were lower than £100m therefore some of that could be released. He explained that the reserve can only be spent once, it is not recurrent. He emphasised that this meant, in reality, there was relatively little additional funding available, including to potentially restore cuts

already made, but confirmed the living wage in local government would be included in discussions over any additional allocations.

1.6 Tina Donnelly emphasised that due to staff cuts many NHS employees are already feeling under pressure and that there are real concerns over the impact of further budget cuts. She put on record that the suggestion nurses had received a 3.5% increase was simply wrong. The CSF explained that if the Welsh Government had to fund the 1% pay increase this would cost £50 million in the first year for the NHS alone and for the wider public sector £100 million. This would inevitably lead to a reduction in staff numbers if it wasn't funded by the UK Government.

Prosperity for All

1.7 The First Minister drew members' attention to Prosperity for All explaining that it has four themes; Prosperous and Secure; Healthy and Active; Ambitious and Learning and United and Connected. In addition, the strategy identifies five priority areas: Early Years, Housing, Social Care Mental Health and Skills and Employability. He explained that the strategy would provide the template for every decision taken by Welsh Government going forward, with a focus on joined-up working across government and the wider public sector. In response to a question from Rex Phillips about who, within Welsh Government, was 'policing' joined-up working, the First Minister indicated that any issues should be conveyed directly to him. Martin Mansfield offered his support for the strategy but stressed it was important to ensure all public sector bodies within the social partnership structure are engaged with it.

2. European Transition

2.1 The Cabinet Secretary for Finance (CSF) began by re-affirming the Welsh Government's commitment to influencing the UK Government's position on European Transition to ensure Welsh interests are properly reflected during negotiations with the EU. He confirmed the Prime Minister's Florence speech seemed helpful but was short on detail. The CSF raised concerns over the EU (Withdrawal) Bill which he felt did not address issues around devolution in an accurate and fair way. He stressed that the Bill cannot be allowed to roll back devolution. Finally, he emphasised the importance of ensuring post European Transition arrangements enable all the UK administrations to work effectively together.

2.2 As Wales is a net beneficiary of EU funding Kevin Tucker asked if money currently allocated to Wales by the EU would be matched by the UK Government following the departure from the EU. The CSF explained that Wales qualifies for this support on the basis of *need* - a need that would remain after the UK had left the EU. As such, his view was that the UK had an obligation to meet the shortfall in funding created by the loss of EU funding. Gareth Howells asked what the signals were from the UK Government on any constitutional arrangements that will be put in place when the UK leaves the EU. The First Minister explained that the UK Government appeared slightly more inclined to engage in discussion with the devolved nations than they had been - but remained resistant to any suggestion of constitutional equality. As a result, there has been no agreement so far on a representative Council of Ministers post European Transition. He confirmed the Welsh Government would not support any proposal that diverted powers away from Wales.

2.3 Amanda Wilkinson referenced the support received from the Welsh Government to assist the HE sector in promoting Welsh universities abroad following the vote to leave the European Union. Margaret Phelan said that to support her in her engagement with colleagues she would welcome more information about the European Transition discussions that were taking place in the FE and HE sectors. The First Minister gave a brief feedback on recent discussions and confirmed he would ask the Cabinet Secretary for Education to update Margaret Phelan on HE/FE European

Transition discussions. Margaret Phelan to be invited to future meetings of the Welsh Government's HE/EU Transition Group.

Action: The First Minister to ask the Cabinet Secretary for Education to update Margaret Phelan on HE/FE activity around European Transition arrangements.

Action: Margaret Phelan to be invited to future meetings of the Welsh Government's HE EU transition group.

3. Fair Work Board

3.1 The First Minister introduced the item and summarised the ambition for Wales to be a fair work nation. He thanked the Leader of the House and Chief Whip (LHCW) for continuing to chair the board alongside her new responsibilities and invited her to update members on progress.

3.2 The LHCW expressed her gratitude to members of the Fair Work Board for their contribution to phase 1 of the work. She explained the Board had focussed on areas of agreement for a framework model to identify key elements of fair work and was exploring the levers available to achieve key aims. The LHCW explained that phase 1 of the Fair Work Board would be completed by the end of this year and that the recommendations would need to be considered alongside those emerging from the review of the WPC. In conclusion, the LHCW confirmed that phase 2 of the work would undertake more in-depth analysis and take forward the recommendations emerging from phase 1.

3.3 Martin Mansfield welcomed the LHCW's continued role on the Fair Work Board and the engagement of the public sector in this work. He highlighted the links between fair work and Prosperity for All and emphasised the importance of this agenda to the trade unions. In conclusion, he stressed the importance of the Code of Practice on Ethical Procurement in Supply Chains, citing a particular procurement exercise as an example of fair work *not* working in practice. The First Minister agreed that this situation should not arise in the future indicating that in this particular case it was a matter for local government.

4. WPC Review

4.1 The First Minister expressed his gratitude to members of the review group for their work in taking the review forwards and asked the Leader of the House and Chief Whip (LHCW) to provide an update. The LHCW confirmed significant progress had been made in developing a strategic framework for the operation of the WPC, including around structure, membership and governance. Proposals included: establishing a Joint Executive Committee which would be accountable to the WPC and facilitate its work between meetings and setting-up a Joint Secretariat to support the work of the WPC and Joint Executive Committee on a day to day basis including engaging with social partners across Wales.

4.2 The LHCW indicated that next steps include finalising these proposals and developing more detailed work on membership of the Joint Executive Committee, membership of the WPC, terms of reference for the Joint Secretariat and other issues linked to implementation including resourcing. She explained that, because of timing issues, the group would need to start to implement these proposals *before* the next meeting of the WPC, in order to ensure seamless transition.

4.3 She indicated that in order to secure agreement social partners would continue to engage with their constituencies on proposals emerging from the review group as and when the group arrived at a final position. Recommendations from the review group would be brought to the WPC

meeting in March for final ratification. Margaret Thomas confirmed the trade unions would be engaging with their stakeholders on the proposals ahead of the March meeting.

5. Local Government Reform and Public Services Staff Commission (PSSC) – Update

5.1 The Cabinet Secretary for Local Government and Public Services introduced this item by updating on the consultation on electoral reform which had received over 1,000 responses. He confirmed that his intention was to provide a statement to the National Assembly in January/February 2018.

5.2 He reflected on the updates by the Cabinet Secretary for Finance on the implications of the UK budget and of EU exit and noted that the financial and demand challenges for public services looked certain to continue to grow. In this context it was essential that approaches such as the City Deal could successfully move onto implementation by overcoming and removing unnecessary barriers. In that vein, he noted the impressive work which had been done by the Public Services Staff Commission.

5.3 The Chair and Chief Executive of the Public Services Staff Commission ran through three aspects of their work:

- I. The draft Organisational Change Policy not for discussion in this meeting but on which the Commission would welcome any detailed comments;
- II. the development in social partnership of more consistent HR policies and a suggested way forward to sustain this approach;
- III. the consideration of work on pay harmonisation in Local Government which was in its Remit;

5.4 The Commission was grateful for the positive engagement which had been given by partners to its work on employment policies. The 10 draft policies which had been produced were intended as best practice taking account of current policies and practice in Local Government and wider, and guidance from, for example, CIPFA and ACAS. The draft policies had been provided to WPC members for further comment. The policies recognised that there would not be a one size fits all approach on everything but there was already a significant degree of commonality between authorities.

5.5 The principle of more joint working in this way seemed to be broadly accepted and the Commission offered a draft approach to sustainable implementation for the future. The Commission therefore sought:

- comments on the draft policies
- a steer on the implementation and future sustainability of this work

5.6 Mike Payne, for the Trade Union side welcomed the work done. The Unions would request any further comments on the policies. They regarded these policies as providing minimum standards for organisations. Where organisations went further it was important not to reduce current practice but where organisations were not meeting them they should commit to review and introduce the good practice benchmark. From the Unions' perspective it was important to move on from accepting the 'principle' of this approach to implementation.

5.7 For the employers' Alison Ward and Jonathan Lloyd welcomed the work done and agreed that further comments on the detail of the policies would be provided. They considered that the issue of differences was not so much across local government as the difference across the public sector.

They accepted the principle of working together for sustainability and that more consideration was needed on this matter. Jonathan Lloyd informed members that the HRD network would be discussing the policies in December and comments would be fed-back. Peter Hewin noted the need to sustain the integration of health and social care and considered that the approach of best practice and minimum standards across the public sector would be helpful in that regard.

5.8 The Commission's remit included a request for the development of work on pay harmonisation. It recognised that this was a challenging issue, particularly so in periods of constrained budgets. The PSSC had convened a round table to discuss the topic. In those discussions, differences in terms and conditions were recognised as a barrier to future regional working but also a risk and an issue now for the significant partnership working that already existed. It was also noted that there could be a significant cost to harmonising and challenges arising from any associated job evaluation process. The Commission therefore now sought an indication from the WPC of support for beginning this work by seeking to establish some baseline information and developing a better shared understanding of what could be achievable to make progress.

5.9 Responding, the CSLGPS said that he considered there was a strong argument in support of more consistent approaches and that he would like to secure agreement to do more than accepting in principle – he wanted change. He would therefore convene a separate discussion with the PSSC and others, including local government to consider.

5.10 Margaret Thomas noted that there were no social partnership arrangements in regional structures such as the City Deal. The CSLGPS agreed to discuss outside the meeting. Margaret Phelan raised the issue of HE senior pay transparency and whether pay audits in HE and FE would support this. The CSLGPS said that he would write separately to Margaret Phelan on this.

Action: PSSC to progress the work programme in accordance with the remit letter.

Action: Meeting to be arranged between the CSLGPS, the PSSC and other interested parties to explore and consider how the PSSC's work can move beyond principles to bring about change.

Action: CSLGPS to discuss with Margaret Thomas her point regarding trade union representation on City Deals.

Action: Welsh Government to write to Margaret Phelan about HE senior pay transparency and whether pay audits in HE and FE would support this.

6. Workforce Planning and Mobility (WPM) Update

6.1 The First Minister thanked members of the WPM for their work on moving this agenda forward. The Leader of the House and Chief Whip (LHCW) Chair of the WPM then updated members on progress since the last meeting of the WPC including in relation to:

- updating and promoting People Exchange Cymru (PEC) which had generated an increase in the use of PEC including in the education sector. On this, LHCW thanked the Cabinet Secretary for Education for her support in targeting schools across Wales;
- progress in relation to the shared risk model for staff at risk of redundancy; including the intention to explore a continuity of service protocol being introduced by the Greater Manchester Combined Authority (GMCA) (it was noted that the GMCA approach was still

under consideration by trade union side, as a copy of the protocol had not been received until the previous day); and

- the development of a pilot on the open data approach to workforce publication.

6.2 The LHCW requested that members of the WPC ensure that their own organisations are implementing the principles and guidance on the Joint workforce planning document. The LHCW reminded members that the WPM had been tasked with 'understanding how redeployment is being handled across the public sector workforce' and asked WPC members to endorse a survey based approach.

6.3 The LHCW highlighted the links and synergies between the open data, pay harmonisation and redeployment agendas and suggested a meeting with the CSLGPS would be beneficial to identify and maximise synergies. Mike Payne raised concerns that barriers still exist in that staff have a reluctance to transfer to other organisations as they are not being permitted to remain within their existing pension scheme.

Action: All members of the WPC are expected to ensure that their own organisations are implementing the principles and guidance in the Joint Workforce Planning document.

Action: LHCW to join relevant meetings with CSLGPS to ensure join up with WPM issues (e.g. data/ workforce planning etc.)

7. Minute/Sector Reports/AOB

7.1 The First Minister confirmed the draft minute of the previous meeting had been shared with the WPC and asked whether this was agreed by members. Rex Phillips referenced the letter issued by the Cabinet Secretary for Education on the 19 October in response to a proposal at the previous meeting for her to meet with school workforce trade unions to discuss teacher redundancies. The letter had been issued as an alternative to a meeting and Rex Phillips felt this was disappointing. He also disagreed with the position set out in that letter which suggested teacher redundancies were decreasing rather than increasing. The First Minister confirmed he would write to Rex Phillips on these matters.

Action: The First Minister to write to Rex Phillips regarding teacher redundancies and the proposal for the Cabinet Secretary for Education to meet with the schools workforce trade unions.

7.2 Peter Hewin expressed disappointment that the WPC had not developed a stronger position on the use of apprenticeships. He felt apprenticeships had sometimes been used as a cheap form of labour and felt the WPC should be doing more to prevent this from happening. The Leader of the House and Chief Whip (LHCW) explained the Welsh Government does not support changes to apprenticeship policy of the kind seen and reported on in England. The LHCW also confirmed that the Minister for the Welsh Language and Lifelong Learning would be taking the lead on apprenticeship policy in the future.

7.3 Tina Donnelly referenced para 5 of the apprenticeships paper which covers engagement with the health sector. She outlined the need for better engagement with the social care sector to offer a stronger career path for those working on apprenticeships in this area. She also referenced paragraph 6 of the paper which covers the Welsh Apprenticeship Advisory Board (WAAB) and asked how this Board links up with wider apprenticeship activity and engagement with the trade union side. The First Minister agreed that apprenticeships be placed on the agenda of the next

WPC so that these issues could be explored further. Following this, Margaret Phelan also suggested that pedagogy be included in any paper.

Action: WPC Secretariat to ensure apprenticeships is placed on the agenda of the next meeting of the WPC and that consideration be given to including information about pedagogy.

7.4 Margaret Thomas made the following points in relation to the actions from the previous meeting of the WPC as follows:

- Action 4 - has the Office of National Statistics (ONS) letter of the 4 July on the Notification of Review of Welsh Further and Higher Education Institutions been circulated to Vice Principals?
- Action 9 - is 9 March 2018 the correct date for the proposed meeting between Welsh Government and HE/HR Directors?
- Action 11 – the trade union side had a number of examples on the Two Tier Code which it would feed into officials after the meeting.

7.5 In response, the First Minister confirmed he would write to the trade union side providing an update on these issues.

Action: The First Minister to write to the trade union side providing an update on these actions.

7.6 Referring to the Specialist Skills paper, Gareth Howells explained that support was needed in the Heritage sector to cover the loss of specialist skills and felt apprenticeships were one way in which this might be covered. The First Minister referenced paragraph 22 of the Specialist Skills paper where this concern is addressed and confirmed he would write to Gareth Howells on this matter.

Action: The First Minister to write to Gareth Howells regarding the loss of specialist skills in the heritage sector.

7.7 The First Minister referenced the WPC sector reports and confirmed Health's would be circulated later following a meeting of their Sector Group on the 7 December. The First Minister also confirmed the next meeting of the WPC would be on Thursday 15 March between 13.30 - 15.30.

List of Attendees - Workforce Partnership Council – 23 November 2017

<p>Cabinet Rt. Hon Carwyn Jones – First Minister Mark Drakeford - Cabinet Secretary for Finance</p>	<p>Alun Davies – Cabinet Secretary for Local Government and Public Services Julie James – Chief Whip and Leader of the House</p>
<p>Trade Unions Mike Payne – GMB (Joint Secretary) Margaret Thomas – Unison Martin Mansfield – TUC Wales Dominic MacAskill - Unison Gareth Howells – Prospect Nisreen Mansour – TUC Wales Peter Hewin – BAOT David Evans – NUT Althea Phillips – GMB Donna Hutton – Unison Tina Donnelly - RCN Shavanah Taj - PCS Rex Phillips - NASUWT Margaret Phelan – UCU Cymru Kevin Tucker – SCR Cerith Griffiths - FBU</p>	<p>Employers Alison Ward -Torfaen County Borough Council (Joint Secretary) Jonathan Lloyd - WLGA Geraint Evans – NHS Directors Group Richard Tompkins – NHS Huw Jakeway – South Wales Fire Service Joanne Oak – Social Care Wales Amanda Wilkinson – Universities Wales David Michael – National Library for Wales James Owen - Welsh Government</p>
<p>PSSC (standing invitation) Gill Lewis - (Chair) Alison Ramsey - (CEO)</p> <p>Observers Mark Pruce – Pay and Pensions Mark Lewis – WPC Secretariat Chris Hartwell – WPC Secretariat Dawn Owen – WPC Secretariat Colette Eley – Skills, Higher Education and Lifelong Learning Sue Hurrell – Value Wales Robin Jones - PSSC</p>	<p>Supporting Officials – Welsh Government Reg Kilpatrick - Director, LG Judith Cole - Workforce and Social Partnerships, LG Jo Trott - Workforce and Social Partnerships, LG Tracey Burke – Deputy Permanent Secretary - Education and Public Services Group David Costa – Special Adviser Andrew Clark - Further Education and Apprenticeships Emma Smith - Strategic Budgeting Zenny Saunders – Workforce Strategy, Education David Tripp - European Transition Chris Jones - Skills, HE and Lifelong Learning</p>

<p>Apologies Paddy McNaught – UNITE Iestyn Davies – Colegau Cymru Ceri Davies - Pembrokeshire County Council Steve Thomas – WLGA Cara Aitchison – Cardiff Metropolitan University Simon Smith – North Wales FRS</p>	
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	Action	Owner	
1	The First Minister to ask the Cabinet Secretary for Education to update Margaret Phelan on HE/FE activity around European Transition arrangements.	Andrew Clark/Chris Jones	See below. Further update to be arranged as necessary.
2	Margaret Phelan to be invited to future meetings of the Welsh Government's HE EU transition group.	Chris Jones/Colette Eley	Margaret Phelan attended the Higher Education Brexit Working Group on the 5 February.
3	PSSC to progress the work programme in accordance with the remit letter.	PSSC	This has been progressed and papers have been submitted for agenda item 3.
4	Meeting to be arranged between the CSLGPS, the PSSC and other interested parties to explore and consider how the PSSC's work can move beyond principles to bring about change.	WPC Secretariat/ Dawn Owen	As above.
5	CSLGPS to discuss with Margaret Thomas her point regarding trade union representation on City Deals.	Welsh Government	In hand. WPC Secretariat to set up a meeting.
6	Welsh Government to write to Margaret Phelan about HE senior pay	Chris Jones/ Andrew Clark (contribution)	In hand.

	transparency and whether pay audits in HE and FE would support this.		
7	All members of the WPC are expected to ensure that their own organisations are implementing the principles and guidance in the Joint Workforce Planning document.	WPC members	WPC members progressing.
8	LHCW to join relevant meetings with CSLGPS to ensure join up with WPM issues (e.g. data/ workforce planning etc.)	WPM Secretariat/ Dawn Owen	Meetings have not yet been arranged but when they are officials will ensure the LHCW is invited to them.
9	The First Minister to write to Rex Phillips regarding teacher redundancies and the proposal for the Cabinet Secretary for Education to meet with the schools workforce trade unions.	Zenny Saunders	In hand.
10	WPC Secretariat to ensure apprenticeships is placed on the agenda of the next meeting of the WPC and that consideration be given to including information about pedagogy.	WPC Secretariat/ Andrew Clark/Sam Huckle	Apprenticeships has been placed on the agenda for the March meeting and the supporting paper includes a section on the issue of pedagogy.
11	The First Minister to write to the trade union side providing an update on these actions. •Action 4 - has the Office of National Statistics (ONS) letter of the 4 July on the Notification of Review of Welsh Further and	WPC Secretariat	In hand.

	<p>Higher Education Institutions been circulated to Vice Principals?</p> <ul style="list-style-type: none"> •Action 9 - is 9 March 2018 the correct date for the proposed meeting between Welsh Government and HE/HR Directors? •Action 11 – the trade union side had a number of examples on the Two Tier Code which it would feed into officials after the meeting. 		
12	The First Minister to write to Gareth Howells regarding the loss of specialist skills in the heritage sector.	James Owen	The First Minister wrote to Gareth Howells on the 12 January.