



Comisiwn Staff  
Gwasanaethau  
Cyhoeddus

Public Services  
Staff Commission

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# Annual Report

2016-2017



## The Public Services Staff Commission

The Public Services Staff Commission is an independent non-statutory organisation that advises the Welsh Ministers and public service organisations in Wales on the workforce issues which will need action and resolution arising from public service reforms.

We work in social partnership with trade unions and public service employers to address shared challenges and opportunities for our public services and the public service workforce in Wales.

We work across organisational and sectoral boundaries to support the development and dissemination of good practice workforce arrangements across our public services.

The Public Services Staff Commission is made up of six Commissioners including the Chair, and is supported by a Chief Executive and staff team and more details are on our website.

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## Accessible formats

All publications are available to download from our website and if you would like this publication in an alternative format and/or language, please contact us.

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

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## Foreword

I have pleasure in introducing this, our second Annual Report which covers the period 1 April 2016 – 31 March 2017. It has been an interesting and challenging year as the Staff Commission has started to deliver and address with our social partners, the many challenges and opportunities that our public services face now and in the future. We have built a small strong and experienced team, to support the Commissioners in delivering our wide ranging programme of work.

We place great emphasis on undertaking our work in co-production with our social partners; trade unions, employers and the Welsh Government. We have continued to engage widely with stakeholders including professional networks and have received very valuable contributions to our work over the last year. I am also extremely pleased that many of the bodies not covered by our remit have continued to work constructively with us and have regard to the advice and guidance that we have produced.


I am delighted that we have been able to deliver on our early promises and have published two important pieces of advice and guidance during the year. Our advice on the use of non-guaranteed hours arrangements was welcomed by our social partners and we hope will make a difference in ensuring that current and future arrangements of this kind are appropriate, effective and support the delivery of quality public services to the people of Wales and support fair work practices.

Our advice on the transparency of senior pay arrangements in the devolved public sector has also been well received and we would encourage all public bodies to adopt the good practice guidance we have published to improve transparency and consistency in arrangements. We hope this will make a useful contribution to the wider debate and public interest in transparency of pay policy decision making and the reporting of senior pay.

Our work in the coming year will focus on public service reform in Wales, managing change and planning for the public service workforce that will be needed to meet future demands. We continue to recognise that organisations are facing many challenges, and as further financial efficiencies are sought and the demand for services increases, then the interests of staff must also be safeguarded.

The Commissioners and I are fully committed to working in social partnership with the Workforce Partnership Council to address together the workforce issues arising from changes to public services. Working in partnership, sharing information, knowledge and experience will allow us to continue to develop appropriate guidance and advice which takes into account the diverse make up of our public service workforce alongside the requirement for sustainable quality public services for the future.

I look forward to your continuing support in the forthcoming year.



**Gill Lewis, Chair**

## Overview

The purpose of this annual report is to provide an update on the delivery of our work from April 2016 to March 2017.

Our remit letter<sup>1</sup> from Welsh Ministers and Operational Plan<sup>2</sup> were approved in January 2016 and copies are available to download from our website.

In May 2016 we published a report that covered the period January 2016 to March 2016<sup>3</sup>.

As a non-statutory organisation, the delivery of our Operational Plan is made possible through the remit issued by Welsh Ministers in January 2016 under s60 of the Government of Wales Act (2006)<sup>4</sup>.

## Key achievements 2016-17

Key achievements for 2016-2017 include:

- Publishing our advice and guidance on the appropriate use of non-guaranteed hours arrangements in September 2016. The advice and guidance has been welcomed by trade unions and employers on the Workforce Partnership Council and accepted by the Welsh Government.
- Participating in the HR Leaders conference in April 2016 and the Equality and Human Rights Commission Wales conference in June 2016 not only to promote our role but to learn from others and incorporate the experiences of others into our work.
- Launch of our website in May 2016, which is being used by others to find out more about our role, purpose and keep abreast of development with our work.
- Publishing our advice and guidance on transparency in senior pay arrangements in December 2016. The guidance has been welcomed by trade unions and employers on the Workforce Partnership Council.
- Working collectively with members of the Workforce Partnership Council to agree priority areas to safeguard the interests of staff working in Local Government, as part of the Welsh Government's reform proposals. This early work will inform our remit in 2017-18.

<sup>1</sup> Remit Letter [www.gov.wales/docs/pssc/publications/160525-remit-letter-en.pdf](http://www.gov.wales/docs/pssc/publications/160525-remit-letter-en.pdf)

<sup>2</sup> Operational Plan 2016-2017 [www.gov.wales/docs/pssc/publications/160127-operational-plan-2016-2017-en.pdf](http://www.gov.wales/docs/pssc/publications/160127-operational-plan-2016-2017-en.pdf)

<sup>3</sup> Annual Report Jan – March 2016 [www.publicservicesstaffcommission.gov.wales/guidance-and-reports/annual-report-2016?lang=en](http://www.publicservicesstaffcommission.gov.wales/guidance-and-reports/annual-report-2016?lang=en)

<sup>4</sup> [www.legislation.gov.uk/ukpga/2006/32/contents](http://www.legislation.gov.uk/ukpga/2006/32/contents)



## Our role and purpose

The independent non-statutory Public Service Staff Commission was established in autumn 2016 with a purpose to advise the Welsh Ministers and public service organisations in Wales on the workforce issues arising from public service reforms which would need action and resolution.

During 2016-17, the Workforce Partnership Council (the WPC) acted as our primary reference point. The WPC brings together the trade unions, public service employers and the Welsh Government and operates based on social partnership values.

Our purpose is also underpinned by the principle that we would work across organisational and sectoral boundaries, adopting a 'One Public Service' approach to support the development and dissemination of good practice workforce arrangements across our public services.

Wales has a proud record of adopting a 'Welsh Way' of working which encompasses this 'One Public Service' vision and also a commitment to partnership working. This does not mean that employers and trade unions can always agree but it does mean that they have committed to jointly own the problems and seek to develop joint solutions whenever they can. We have therefore been guided by the WPC's

work to date, including 'Partnership and Managing Change'<sup>5</sup> agreed in 2012, in the way in which we have sought to shape and deliver our work during the year.

Our strategic priorities during 2016-17 were drawn from our remit letter and the objectives set out in '*Working Together for Wales – A Strategic Framework for the Public Service Workforce in Wales*' (2012)<sup>6</sup> and focus on:

1. building an engaged, motivated and high performing workforce;
2. attracting and retaining talent;
3. developing skills; and
4. ensuring equality and diversity.

<sup>5</sup> 'Partnership and Managing Change' is an agreement of the Workforce Partnership Council regarding the process by which the social partners (employers and trade unions) work in partnership to manage change as a fundamental part of how the delivery of public services in Wales will be improved'.

<sup>6</sup> [www.gov.wales/docs/dpsp/publications/120525worktogetheren.pdf](http://www.gov.wales/docs/dpsp/publications/120525worktogetheren.pdf)

The following principles, explain the way in which we agreed with the WPC

we would work with others in order to successfully deliver our plan:

We will be a source of authoritative advice, independent of Government and the public bodies within its scope.

We will work in social partnership with the WPC; trade unions and public service employers, to address shared challenges and opportunities for our public services and the public service workforce in Wales.

We will work across organisational and sectoral boundaries to support the development and dissemination of good practice workforce arrangements, including recruitment and retention, across our public services.

We will be a single point of reference for greater consistency, cohesion and coordination in workforce arrangements to address workforce issues during public service reform, whilst promoting fairness and fair treatment.

We will not replace collective bargaining arrangements neither will we intervene in local disputes between Welsh Ministers, trade unions and employers.

Appendix A summarises those public bodies that were covered by our remit in 2016-17.

We also embed in our work the collective goals that public services in Wales are working towards as set out in the Well-being of Future Generations (Wales) Act 2015<sup>7</sup>.

## Governance arrangements

Information about the Chair, Chief Executive and other Commissioners is available on our website. We also make available on our website copies of our meeting agendas, minutes and other activities attended<sup>8</sup>.

In December 2016, Harry Thomas decided to step down from his role as a Commissioner having provided valuable input into establishing the Staff Commission in its first year.

In January 2017, Margaret Thomas joined the Staff Commission as a co-opted member to supplement the trade union knowledge and experience on the Staff Commission.

We are funded by the Welsh Government and during 2016-17 £332k was spent mainly on the running costs of the Staff Commission including Commissioners' costs, staff and ICT expenditure.

<sup>7</sup> [www.gov.wales/docs/dsjlg/publications/150623-guide-to-the-fg-act-en.pdf](http://www.gov.wales/docs/dsjlg/publications/150623-guide-to-the-fg-act-en.pdf)

<sup>8</sup> [www.publicservicesstaffcommission.gov.wales/about-us/?lang=en](http://www.publicservicesstaffcommission.gov.wales/about-us/?lang=en)



## Relationship with the Welsh Government

During 2016-17 we have met regularly with the relevant Cabinet Secretaries and Ministers of the Welsh Government to discuss the delivery of our work and consider the future direction of the Staff Commission.

The Cabinet Secretary for Finance and Local Government has responsibility for our remit. The Welsh Government therefore operates in a 'sponsor' role, which is primarily to ensure that the principal aims and objectives as

set out in the remit letter from the Welsh Ministers are met. The Welsh Government is not involved in the day to day decision making; this responsibility sits with the Chief Executive and Commissioners.

The Welsh Government has also continued to 'host' us, which in practice means that practical support is provided for the day to day running of an office such as facilities, ICT, finance and HR systems.

## Delivery of our plan

### Working in social partnership

Throughout 2016-2017 we sought advice, information and evidence from the trade union and employer members of the WPC to support delivery of our work. We engaged with them on emerging work and this helped to shape later discussion of early drafts and final agreement on our two published pieces of advice and guidance this year.

During the year we attended meetings of the WPC in July 2016, November 2016 and March 2017.

### Guidance on the appropriate use of non-guaranteed hours arrangements

In September 2016, the Staff Commission published its first guidance on the appropriate use of non-guaranteed hours arrangements<sup>9</sup>. In developing this work we considered wider arrangements, rather than just zero-hours contracts, which allow organisations to flexibly deploy their workforces to meet fluctuating demand for services or to cover the absence of the permanent workforce. We defined these broadly as non-guaranteed hours arrangements.

<sup>9</sup> [www.publicservicesstaffcommission.gov.wales/news/principles-and-guidance-use-of-non-guaranteed-hours-arrangements?skip=1&lang=en](http://www.publicservicesstaffcommission.gov.wales/news/principles-and-guidance-use-of-non-guaranteed-hours-arrangements?skip=1&lang=en)



The principles and guidance will enable public service organisations and their recognised trade unions to work together to actively review and consider the arrangements they have in place now and those that will need to be developed for the future. This will support greater consistency and cohesion in the way flexible workforce arrangements are developed and considered within our public services.

In accordance with our remit from Welsh Government we worked with the WPC and its four sector groups (Local Government, Health, Education and Devolved services) to respond to Welsh Ministers' request to develop advice and guidance on the use of zero hours contracts.

*“Our advice and guidance provides a positive benchmark for our social partners to ensure that current and future arrangements of this kind are appropriate, effective and support the delivery of quality public services to the people of Wales.”*

**Gill Lewis, Chair of the Commission**

*“Flexible workforce arrangements are necessary to deliver effective public services. We welcome the development of these principles and guidance which will support our organisations to ensure arrangements are appropriate and effective.”*

**Alison Ward, WPC employer side joint secretary**

*“Effective public service delivery relies on a committed and motivated workforce. We recognise that employers require a degree of flexibility in their workforce arrangements to deal with fluctuating demands, but this needs to be proportionate and defined. We welcome the advice and guidance which will allow us to work with organisations to ensure current and future arrangements of this kind are appropriate.”*

**Julie Cook, WPC trade union side joint secretary**

The guidance was also provided as advice to the Welsh Government through the Cabinet Secretary for Finance and Local Government. We advised that the devolved organisations who are included within our remit should adopt the principles and guidance. We also advised that those organisations not included within our remit should be encouraged to adopt the principles and guidance.



On 6th December 2016 the Cabinet Secretary for Finance and Local Government issued the guidance to all devolved public sector employers, stressing the importance and priority the Welsh Government accords the fair and equitable treatment of the public sector workforce and the relationship between this and the delivery of excellent public services<sup>10</sup>.

<sup>10</sup> Cabinet statement on the appropriate use of Non-Guaranteed Hour Arrangements  
[www.gov.wales/about/cabinet/cabinetstatements/2016-new/nonguaranteedhours/?lang=en](http://www.gov.wales/about/cabinet/cabinetstatements/2016-new/nonguaranteedhours/?lang=en)



The WPC will review whether the guidance has been sufficiently embedded by 2018 and, if there is evidence that the guidance has not been

adopted well, the Welsh Government would then consider whether it would make its application mandatory.

## Transparency of senior pay arrangements

In December 2016, we published advice and an accompanying report ‘Transparency of Senior Pay in the Devolved Welsh Public Sector – observations and proposed way forward’<sup>11</sup>.

We worked with the WPC to respond to Welsh Ministers’ request to develop advice and guidance on the



Welsh Government Framework on ‘Transparency of Senior Remuneration in the Devolved Welsh Public Sector’.

*“In our view the Welsh Government Framework is clear and not unreasonably onerous on public bodies to produce on an annual basis.”*

**Gill Lewis, Chair of the Staff Commission**

*“We both welcome the publication of this advice and guidance by the Public Services Staff Commission. We look forward to working together to continue to make progress on issues of mutual interest to employers and trade unions, building on the good working relationship to date.”*

**Alison Ward and Julie Cook,  
Employer and Trade Union  
Joint Secretaries of the WPC**

In developing our advice we have considered the senior pay disclosures of 48 bodies in Wales, which includes the Welsh Government as an employer, the NHS, Local Government and Welsh Government Sponsored Bodies.

During this first year of adoption we concluded that progress has been made in implementing the requirements of the Welsh Government framework, but there remain some key areas where we would advise more could be done to explain how senior pay is determined, by sharing information about pay, publishing pay policies and providing explanations for decisions.

We have included in our report as supplementary guidance to the existing Welsh Government Framework an example pay policy statement and suggested good practice disclosures to include in annual reports.

<sup>11</sup> Advice and guidance on the Welsh Government Framework on ‘Transparency of Senior Pay arrangements’

Our guidance has also been provided as advice to the Welsh Government through the Cabinet Secretary for Finance and Local Government. We have advised that the devolved organisations who are included within our remit should adopt the advice and guidance. We have also advised that those organisations not included within our remit should be encouraged to adopt the Welsh Government Framework, our advice and guidance.

## Workforce planning

During the year we have actively promoted the People Exchange Cymru (the PEC) portal<sup>12</sup> which was established through the Workforce Planning and Mobility (WPM) subgroup of the WPC. The PEC portal provides devolved public service employers with the opportunity to signpost vacancies, loans and secondments to employees in devolved public services across Wales. This includes health, local authorities, higher education, further education, schools, fire and rescue services, the Welsh Government, National Parks and Welsh Government Sponsored Bodies.



This supports the development of a 'One Welsh Public Service', with those involved in the delivery of public services in Wales forming part of a common

endeavour, sharing common values and working together for the benefit of the people of Wales.

Since September we have also worked with the WPM subgroup, Chaired by the Minister for Skills and Science, to agree a programme of work that, delivered in social partnership, will achieve greater consistency and improved co-ordination in workforce planning arrangements in public services in Wales.

We have been gathering information from a range of public bodies about their current approaches to workforce planning, and we have considered the data and information practices that could enable employers to effectively plan for their future workforce requirements. In addition we have also gathered information on the broad range of initiatives, schemes and agencies offering support to develop the core and essential skills of the workforce.

As public funding continues to reduce and the demand for services increases, the types of services that are needed are likely to change. The public service workforce will be required to adapt and action will be needed to make best use of public funds and mitigate the risk of redundancy through sharing information and maximising skills training opportunities. The aim is have in place a framework that will aid mobility and strengthen integrated workforce planning on a regional and collaborative basis across public services. We will continue to progress this work early in 2017-18 as part of our remit.

<sup>12</sup> [www.peopleexchange.cymru.org.uk/home](http://www.peopleexchange.cymru.org.uk/home)



## Local Government Reform

At the start of April we were continuing to take forward preparatory work on proposals to issue guidance for Transition Committees that were to have been established through the proposals in the then Draft Local Government (Wales) Bill. This preparatory work had begun in autumn 2015.

We had started to put in place arrangements to support a programme of work which included but was not limited to consideration of issues across recruitment, retention, workforce planning, performance management, values, leadership behaviours and development. We were intending to then issue guidance to Transition Committees by Summer 2016.

The subsequent revision to the Welsh Government Local Government reform proposals has therefore had an impact on the way in which we have taken forward work in this area. Following the announcements made by the Cabinet Secretary for Finance and Local Government in autumn 2016 setting out the likely direction of revised reform proposals, we began to gather information to consider the possible implications for the workforce.

We have been working closely with those currently working in the Local Government sector; predominantly the members of the Local Government sector group of the WPC, members of the Local Government Human Resources Director network, members of SOLACE, and of course the Welsh Local Government Association.

In January 2017, we shared with members of the WPC a summary of potential areas of advice and guidance that would safeguard the interests of staff during any period of reform and help to address the workforce implications arising from the revised proposals.

In March 2017 the WPC considered this summary as part of a wider discussion about our 2017-18 remit. Our advice and guidance will not replace existing collective bargaining agreements.

## Engagement and Communications

### Out and about

We are committed to a consistent and effective approach to engagement. We moved quickly when established in autumn 2015 to get out and meet with all those organisations that fall within our remit (Appendix A).

We have continued to meet with the Welsh Government, trade unions and employers throughout 2016-17 in order to:

- understand the nature, the urgency and scale of the issue;
- understand the likely impact on staff and the public service that must be delivered;
- provide the opportunity for feedback, discussion and debate before we finalise our advice; and
- develop sustainable, creative but practical advice on the issues.

## Website

In May 2016 we launched our website for everyone to find out more about our work and keep abreast of developments.

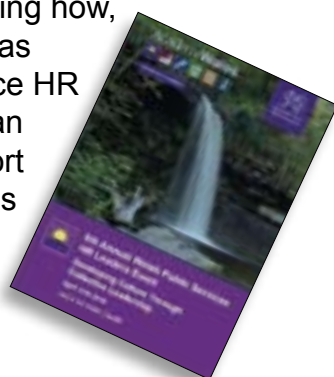
We have used the website to publish our advice and guidance to Ministers and organisations as well as information about the organisation including our Operational Plan, Annual Reports, engagement activities and the agendas and minutes of our meetings.



## Events

### • 5th Annual Welsh Public Services HR Leaders Event

In April 2016 we were invited to run a workshop at the 5th Annual Welsh Public Services HR Leaders Event. The theme of the event, organised by Academi Wales was 'Developing Culture through Collective Leadership' with the purpose of exploring how, working together as One Public Service HR community, we can continue to support our public services in delivering for the people of Wales.



During our interactive workshop session we discussed with delegates two themes central to our programme of work:

- Shaping the role of the HR leader; and
- Understanding how we currently plan for our workforce requirements.

We also used attendance at this event to promote our role and purpose, talk about our operational plan and let delegates know how they could contact us and get involved in our work.



- **Equality and Human Rights Exchange**

In June 2016, we joined around 120 delegates from across Wales and took part in the annual Equality and Human Rights Exchange conference focused on the challenges and opportunities for the workforce of the future.

Our Chief Executive Alison Phillips was a member of the conference panel that discussed a number of the key themes considered during the event which included:

- the employment challenges facing Wales for the next 5 years;
- the kind of leadership required to progress equality and human rights;
- how to move equality and human rights onto a preventative agenda;



- creating more faith friendly workplaces; and
- how equality can be built into public service reform.

The learning from both these events highlighted the need to value the workforce, treat them fairly and support them in learning new skills in order to maximise the contribution they can make to deliver sustainable and improved public services at a time when funding is reducing and the demand for services is changing.

## Forward Look

### Work plan for 2017-18

Our original remit letter recognised that it would need to be refreshed in light of the National Assembly for Wales’s elections that were to take place in May 2016 and for any potential changes in Welsh Government policy position.

Since those elections the Welsh Government has been in dialogue with local government and wider partners about the case for reform and possible

approaches Wales could adopt to build resilience. ‘Discussions during the summer of 2016 highlighted that there remains a need and an appetite for reform, supported by greater regional working, building on the majority of proposals previously consulted upon’<sup>13</sup>. These discussions have culminated in the publication of new proposals in the White Paper ‘Reforming Local Government: Resilient and Renewed’.

<sup>13</sup> [www.consultations.gov.wales/consultations/reforming-local-government-resilient-and-renewed](http://www.consultations.gov.wales/consultations/reforming-local-government-resilient-and-renewed)

During 2017-18 we will:

- Provide advice and guidance to safeguard the interests of employed staff working within Local Government; learning from other public service reforms and building upon existing good practice within Local Government in Wales.
- Continue to work in effective social partnership and seek direction, good practice evidence and assistance from the members of the Workforce Partnership Council to deliver our remit.
- Provide advice and guidance that will aid workforce mobility and strengthen integrated workforce planning on a regional and collaborative basis across public services.
- Continue to act independently of the Welsh Government, share information about our work and promote good practice and opportunities to achieve more consistency, cohesion and coordination across public services in Wales on workforce matters.

## Beyond 2017-18

In the White Paper proposals, the Staff Commission will no longer be made a statutory body as previously intended, and will be brought to a close in March 2018. Until then we will continue to provide advice on workforce matters under the strategic direction of the WPC. Confirmation of this intention was set out by the Welsh Government at a meeting of the WPC in November 2016, as part of wider considerations of the role and responsibilities of the WPC.

There will during 2017-18 also be a review of the WPC, coproduced by social partners working together. The purpose of this review will be to ensure the WPC has clear roles, responsibilities and structures to drive social partnership working in Wales. Any of our work which cannot be completed before March 2018 will be transferred to the new arrangements for the WPC, as part of a smooth transition process.



## Appendix A – Public Service Bodies within scope

The public service bodies to be covered by the remit of the non-statutory Commission currently include:

- A county borough council or county council in Wales.
- A town or community council.
- Fire and Rescue Authorities.
- National Park Authorities.
- The Local Democracy and Boundary Commission for Wales.
- Local Health Boards and NHS Trusts.
- The Care Council for Wales (Social Care Wales from April 2017).
- The governing body of a maintained school or federation.
- The Higher Education Funding Council for Wales.
- The Arts Council of Wales.
- The National Library for Wales.
- The National Museum of Wales.
- The Royal Commission on the Ancient and Historical Monuments of Wales.
- The Sports Council for Wales.
- The Natural Resources Body for Wales.

Subject to the requirements of Constitutional Reform and Governance Act 2010 the Welsh Government (as an employer), voluntarily regards itself as being within the remit and will take notice of and apply its guidance on the same basis as other bodies.