



Comisiwn Staff
Gwasanaethau
Cyhoeddus

Public Services
Staff Commission

Annual Report

January – March 2016



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 arising from public service reforms which will need action and resolution.

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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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 the first 'Annual' Report of the Public Services Staff Commission, which covers the period 1 January 2016 – 31 March 2016. Future reports will cover a full 12 month period (April-March).

The Public Services Staff Commission is a new organisation set up to advise Welsh Ministers and public service organisations in Wales on workforce issues.

It has been a fascinating and purposeful 3 months, as we create a new organisation to address the many challenges that our public services face now and in the future. I am pleased to say that we have built a strong experienced team, based in Nantgarw, to support the Commissioners in delivering our wide ranging programme.

In our first 3 months we have met with many of our key stakeholders from all sectors across the public services, both those bodies under the remit of the Staff Commission and some which are not. I am extremely pleased that many of the bodies not covered by our remit have expressed a wish to work constructively with us and have regard to any advice/guidance that we may produce in due course.

In our engagement activities to date, we have heard clearly the urgent need to start work on addressing the workforce issues arising from public service reform in Wales. Also clearly understood is the difficult context organisations face,

and the impact on staff morale whilst public service organisations seek to achieve further efficiencies during a time of unprecedented financial pressure and continually increased demand for services. That said, we do have an opportunity to shape a longer term view of public services in Wales through creative thinking and to positively address the workforce issues arising from changes to public service delivery.

We have an ambitious work programme, but we recognise the Commission on its own will not be able to deliver the necessary changes to improve public service delivery in Wales. The Commissioners and I are fully committed to working in social partnership, alongside the Workforce Partnership Council as our primary reference point. Partnership working with the public service organisations and their recognised trade unions will allow us to develop appropriate guidance and advice which takes into account the diverse make up of our public service workforce along with the requirement for sustainable public services for the future.

We are grateful for the strong support that you have given to us during our establishment and we look forward to continuing engagement with you as the public services landscape evolves and changes.



Gill Lewis, Chair

Purpose of this report

The purpose of this report is to provide an update on the delivery of our work from January to March 2016. It also provides information about the Public Services Staff Commission (the Commission) and how it will function.

The Remit and Operational Plan of the Commission were approved in January 2016 and for this year only the report therefore covers a shorter period of

three months. In future years this report will cover the more usual twelve month period from April to March.

The period prior to January 2016 was focused on face to face engagement with those working in the public service in Wales, the setting up of day to day support for the Commission and development of the Operational Plan.

What is the Public Services Staff Commission?

Following public consultation, the Welsh Government created an independent non-statutory Public Services Staff Commission, with a purpose to advise the Welsh Ministers and public service organisations in Wales on the workforce issues arising from public service reforms which will need action and resolution.

The purpose was also that the Commission would work across organisational and sectoral boundaries to support the development and dissemination of good practice workforce arrangements across our public services.

As a non-statutory organisation, the delivery of our Operational Plan (the Plan) is made possible through the remit issued by Welsh Ministers in January 2016 under s60 of the Government of Wales Act (2006)¹.

It is planned that a statutory Public Services Staff Commission will be established through the Local Government (Wales) Bill that would come into effect towards the end of 2017 and early 2018.

The strategic priorities for us are drawn from *'Working Together for Wales – A Strategic Framework for the Public Service Workforce in Wales'* (2012)² and focus on:

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

We published our first Operational Plan in January 2016 with the acknowledgement that the way in which we work with

¹ <http://www.legislation.gov.uk/ukpga/2006/32/contents>

² <http://gov.wales/docs/dpsp/publications/120525worktogetheren.pdf>



others will be the key to the successful delivery of our strategic objectives and

help to demonstrate our independence. The following principles therefore apply:

The Public Services Staff Commission 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.

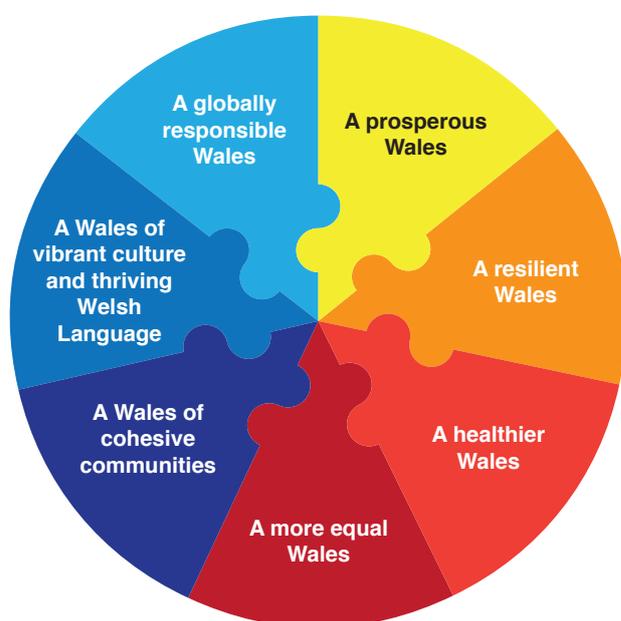
We will not replace collective bargaining arrangements neither will we intervene in local disputes between Welsh Ministers, trade unions and employers.

Those public bodies that are covered by our remit are summarised in Appendix A. We have welcomed indications from other organisations and sectors beyond

this formal scope that they would want to influence and be influenced by the authoritative advice that we will publish.

We will 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 2015³, namely:

Well-being Goals



We will take account of the recently published One Welsh Public Service values and beliefs⁴ which will guide how we work, change culture and shape the way we behave:

- putting citizens first
- treating everyone with respect
- working together
- always growing and improving
- working for the longer term.

³ <http://gov.wales/docs/dsjlg/publications/150428-guide-to-the-fg-act-en.pdf>

⁴ <http://www.academiwales.org.uk/Content.aspx?SitePageContentID=3227&SitePageID=434>



Who are we?

The Commission is made up of six Commissioners including a Chair:

- **Gill Lewis** – Chair; appointed from August 2015
- **Martin Mansfield** – appointed from September 2015
- **Sally Ellis** – appointed from September 2015
- **Graham Jones** – appointed from September 2015
- **Margaret Foster** – appointed from September 2015
- **Harry Thomas** – appointed from September 2015

The Chair and Commissioners were appointed through a public appointments process.

The Chief Executive is Alison Phillips who took up post in November 2015. The Chief Executive was appointed following an open external recruitment process.

Our team is based at Nantgarw with staff that are on secondment from public bodies.

What have we been doing?

Engagement and Communications

Our priorities and remit are broad; we also have a wide and diverse range of stakeholders. We are committed to a consistent and effective approach to engagement.

As a new organisation, we moved quickly in January to raise an awareness of the Commission as an organisation, and increase the wider understanding of our purpose; who we are, how you can contact us and what specific work we plan to carry out. We made contact with all organisations that fall within our remit with a letter of introduction and the offer to meet with them.

We secured a presence on the Welsh Government website that enabled us to publish our Plan.

From January to March 2016 we met with most of the public bodies that fall within our formal remit and many other stakeholders and sector groups who are keen to work with us.

We have used these meetings to test out the content of our Plan, listen to specific issues impacting on individual organisations and those issues that cut across organisational boundaries. We have also used the opportunity to identify opportunities to work together and to share people, skills, knowledge and experience.

The value of a face to face meeting with the Commission has been welcomed, by those we have met with so far, as a way of building trust and establishing positive working relationships. We aim to continue to engage in a way that enables us 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
- develop sustainable, creative but practical advice on the issues.

We are not here to replace collective bargaining arrangements between employers and trade unions. We do however want to be accessible to organisations and staff who may be interested in our work and want to contribute. We will work with employers and trade unions to maximise the use of existing communication tools but we will in May 2016 be launching our own website so that people can find out more and keep abreast of developments.

We will use the website to publish our advice and guidance to Ministers and organisations as well as information about the organisation including our Operational Plan, Annual Report, and the agendas and minutes of our meetings.

We also want to be visible and would be happy to take part in events that reflect workforce matters that others are arranging during 2016-17; this in addition to any events we may ourselves arrange.

Relationship with the Workforce Partnership Council

We will work in social partnership with trade unions and employers to help us in our aim to keep all public service staff informed and to maximise opportunities for us to listen to them and then take into account what people tell us in producing our advice. People we have met have asked about our relationship with the Workforce Partnership Council (WPC). The WPC brings together Trade Unions, Public Service employers and Welsh Government and operates based on social partnership values.

The WPC will act as our primary reference point, and we will work closely with the WPC and the Joint Secretaries of the WPC to achieve this. The WPC will have the first opportunity to consider, influence and comment on the approach to be adopted by the Commission to delivering our work programme, and on the development of our Plan. We will engage regularly with the WPC, and through the Joint Secretaries, on emerging work and early drafts of our outputs.

We met with the WPC in October 2015, December 2015 and March 2016.



Relationship with the Welsh Government

More often people have asked about our relationship with the Welsh Government; it takes three separate forms:

Host

The Welsh Government has offered to 'host' the Commission 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. We therefore comply with the Welsh Government policies and procedures for procuring goods and services and we use Welsh Government HR systems for advertising and recruiting for staff posts.

Sponsor

The Welsh Government also operates in a 'sponsor' role which is primarily to ensure that the principal aims and objectives as set out in the Remit from the Welsh Ministers are met.

As 'sponsor' Welsh Government promotes the role and purpose of the Commission within Welsh Government itself, assists us in knowing who to contact within Welsh Government for information and provides the link to the Welsh Ministers. The 'sponsor' also encourages high standards of corporate governance and financial accountability.

The Welsh Government is not involved in the day to day decision making of the Commission; this responsibility sits with the Chief Executive and Commissioners.

Employer

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

Operational Plan

We began to develop our Operational Plan from November 2015 and heard clearly the urgent need to start work on addressing the workforce implications of public service reform in Wales, in whichever direction this is taken forward. Also clearly understood is the context employers face in terms of staff morale whilst public service organisations seek to achieve further efficiencies during a time of unprecedented financial pressure and increased demand on services.

Public Services are vital to everyone who lives, works in or visits Wales, but the funding available is reducing and public services are changing.

The Welsh Government has determined a vision of 'One Welsh Public Service' as set out below. We have integrated a 'One Welsh Public Service' approach into our Plan. The aim is to:

- focus on working together to improve services for and with the people who use our services
- allow our public services the flexibility to meet local needs and requirements
- want professionals to work across boundaries, focused on the needs of the individuals, and ensuring those citizens are an equal partner in determining the support they receive

- empower our public service workforce to do their jobs and to work with social partners in delivering service change
- incentivise the public service workforce to be innovative and be constantly looking for ways to improve the services they provide
- value the workforce and treat them fairly.

Our Plan reflects the remit from Welsh Ministers as well as the views of the WPC as our primary reference point and other stakeholders. A copy of our full Plan is available on our website and a summary is included in Appendix B.

We are funded by Welsh Government and during 2015-16 £138k was spent mainly on Commissioner costs, staff and ICT equipment. The Welsh Ministers have approved an outline budget for 2016-17 of £650k.

Non-guaranteed hours

We were asked by the Welsh Government *‘to develop guidance for Welsh public sector employers to address concerns identified about the use of non-guaranteed hours (sometimes referred to as zero hours contracts) such as effects on service delivery or retention of staff. This will set clear expectations on practices we should expect of all public sector employers to ensure that these contracts are not used inappropriately. The Welsh Government is intending to issue procurement advice to set similar expectations for public service contractors. The Commission should liaise with the Welsh Government procurement service and produce draft guidance for consultation spring/summer 2016’.*

We have engaged with the four sector groups of the WPC; education, health, local government and devolved sector, to take forward our approach to this work.

These meetings have enabled us to agree questions to be asked of employers as to the use of non-guaranteed hours arrangements, seek to identify relevant case studies and understand the range of concerns associated with these types of contracts.

We have met with the Welsh Government officials responsible for the consultation on the use of non-guaranteed hours in domiciliary care to align our work. We have also met with Value Wales to consider the possible implications for procurement contracts and the development of ethical procurement standards in Wales. Work is continuing to progress and will be reported on it in the summer of 2016.

Transparency of senior pay and remuneration arrangements

In respect of any consideration of senior officer pay and remuneration, we were asked by the Welsh Government *‘to consider Local Authority pay in the context of the wider public sector in Wales and work with the Independent Remuneration panel as necessary.’* The Welsh Ministers stated they *‘would welcome advice on the recently published Welsh Government Framework on “Transparency of Senior Remuneration in the Devolved Welsh Public Sector” during the course of the Commission’s work and no later than end of 2016’.*



The Framework set out three principles of i) consistency, ii) transparency and iii) accessibility and recommends reporting arrangements that include i) annual pay policy statements and ii) annual reporting. The primary aim is to increase the transparency and scrutiny of senior remuneration within the devolved Welsh public service. It is intended that the principles will be kept under review as changes in legislation, policy and the devolution settlement evolve.

Our focus will be on the application of the principles disseminated to public bodies in Wales; making an independent assessment of whether the action taken provides citizens with an accessible and clear understanding of pay arrangements within an organisation but also across the public sector.

Our approach to this work has been in two phases:

- **Phase 1** – how have the principles been disseminated and the context and requirements explained to those bodies affected.
- **Phase 2** – undertake an independent assessment of what information has been published by Welsh Government and other organisations listed within our remit.

We have already started by reviewing the published pay policy statements of Local Government and will be reviewing the statements of other organisations when they are published over the summer and we will report our interim findings in the autumn of 2016.

Reforming Public Services – structural changes

We have also considered what are likely to be the areas of guidance that Transition Committees will require in order for them to plan for the workforce implications of the Draft Local Government Merger Bill. Transition Committees will support the transition from one structure to another.

Our proposed approach is to bring key stakeholders together to build up trust and agree principles as to how guidance will be developed, evidence gathered, decisions made and communications relayed. A key area of focus will be how the workforce can be kept informed of progress and what assurances can be provided during the period of reform.

We intend to work with the Local Government Sector Group of the WPC, and draw on the knowledge and experience of other relevant stakeholders.

During our engagement we heard a number of common themes coming from our meetings with Local Authorities, trade unions and people working outside of Local Government. They identified potential areas where independent advice and guidance from the Commission was welcomed. It was generally felt that many of these themes will require resolution whatever the final agreement on Local Government structures, and that they apply to other areas of the public service in Wales.

These themes include but are not limited to:

- identification and development of leaders of organisations
- recruitment and retention of Chief Executives and Senior staff
- harmonisation of employment policies and practice
- organisational structures and job descriptions
- pension schemes
- performance management arrangements
- HR and payroll systems.

We are planning a number of workshops to take place over the summer of 2016 with the aim of publishing a suite of guidance documents in the second half of 2016 and into 2017.

Good practice

One of our primary aims is to support the development and dissemination of good practice workforce arrangements across our public services.

We have therefore commissioned a short piece of work to review evidence as to the barriers to dissemination of good practice; pulling together recent existing evidence and identifying any gaps in research in this area. The purpose is to ensure we consider and address these barriers in meeting our aim.

We are aware of Good Practice Wales and the portal that makes information accessible on line and we have met with those involved in its establishment and current promotion, and will continue to liaise as our work progresses.



Forward Look

In addition to making further progress with those areas of work already highlighted we intend to progress work in the following areas during 2016-17:

- Produce good practice guidance that can enable strategic workforce planning arrangements within and across public bodies.
- Agree the capabilities and characteristics required of leaders that One Welsh Public Service will require, and the means to recruit, retain and develop future leaders to work in Wales identifying the values, skills, knowledge and experience required.
- Consider the recommendation made in the published action plan for Alternative Service Delivery Models (ASDMs) to identify and advise on key workforce matters arising from the development of alternative delivery models taking into account the capacity of organisations and companies to provide services in Welsh.
- Consider the recommendation made in the NHS Wales Workforce Review report for the Commission to consider the potential for establishing a common framework for job evaluation and remuneration for executive and senior posts across the Welsh public sector.

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
- 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.



Appendix B – Work Programme 2016-17

Transformational

One Welsh public service approach that develops the best leaders who inspire confidence in their staff and the people who use their services.

One Welsh public service approach that champions its own good practice to others with regards staff and is open to adopting good practice developed.

Transferability

One Welsh public service approach that employs a high calibre workforce with a sustainable skill mix.

One Welsh public service approach that is supportive of career development and learning opportunities across our public services.

Transactional

One Welsh public service approach that makes the most effective use of its systems and facilities and digital technology.

One Welsh public service approach that moves towards greater consistency and fair treatment for public service workforces, not least during periods of change.