



Industry in Focus

Workforce of the Future

Future of Local Government
February 2024



Contents

1	Executive summary	3
2	Why is workforce one of the most fundamental issues facing employers across the UK?	5
3	What are the key workforce challenges impacting local government?	7
4	How is local government service delivery changing?	12
5	Introducing the research themes	14
6	Exploring opportunities and solutions for the sector	27
7	Call to action	33
8	Appendix	34

Executive summary

All sectors in the UK are operating in a turbulent context which has been escalating over the last decade. The public sector has been battling with the consequences of a fragile economy, rising demand, increasing costs and a range of other factors at a macro level which they have little or no control over. Local government — just like other sectors — has been impacted particularly by workforce challenges which range in nature from the lack of a talent pipeline to salaries that are not competitive with other industries. Building on the [Future of Local Government report](#), this report is focussed on those workforce specific issues and seeks to both set out the problems councils are facing and propose some potential solutions.

Why are we focussing on local government workforce challenges now?

2022 was a year of significant shift in the UK labour market as both organisations and individuals adapted to the post Covid-19 pandemic 'new normal' and shifting priorities, which has contributed to the instability still being experienced across all sectors. At an individual level, some people saw the benefits of remote working and relocated, whereas others, either of their own accord or as a request from employers, surged back to the office with renewed energy, and everyone started thinking more about what they value and what they wanted from their employer. Whilst the pandemic has changed the way the global workforce acts, a direct impact of this on local authorities, and in particular for those covering rural areas, has been losing staff to higher paying, private sector jobs that they are now able to carry out remotely.

The cost of living has soared over the past few years, with rising inflation as a result of a series of big shocks to the economy. Whilst the UK avoided a recession in 2023, the economic outlook remains challenging. This has led to an increase of importance in salary **now** over pensions in the **future**, thus disincentivising the pull of local authorities' generous pension contribution, which used to be one of the biggest draws of public sector employment.

For local government, we believe workforce pressures are one of the biggest challenges the sector faces in the future, if action is not taken to address the current and anticipated pressures. For more than 15 years, local government has endured funding reductions, growing demand for services, and most recently, historically high inflationary pressures. This has forced councils to repeatedly find savings and transform in order to meet new budgetary targets. Over time, this has become increasingly demoralising for staff who may feel that their hard work is not recognised or appreciated, and it also disincentives them from bringing new ideas for fear they will be cut in due course.

Leadership teams within the sector continue to navigate their respective councils through challenges and crises, under significant pressure. This pressure has only been added to by increasingly intense public scrutiny when things go wrong. This combination of factors has contributed to shortages across a sector where strong leadership is paramount.

Local authorities have a role to play in leading by example as major employers, at the same time as supporting other local employers in their areas to adopt more modern approaches to workforce planning. To address the key workforce challenges facing the sector, local government needs to tackle these issues head on and take advantage of emerging opportunities to build a sustainable workforce for the future and remain a relevant employer in the labour market.



How have we sought to explore workforce challenges in the sector?

Our previous report – the [Future of Local Government](#) – explored in some depth the critical role that local authorities play now and highlighted the need to adapt to remain relevant as strategic leaders of the system and place-based economic recovery.

Workforce of the Future, by PwC and the County Councils Network (CCN), sets out the key workforce challenges facing local government and identifies changes and actions to address these, and to adopt new, sustainable workforce models fit for the future.

This report has been informed by active engagement with nominated CCN member authorities and focussed on a number of key themes to guide the research.

Participants actively involved with this research include CCN member chief executives as well as HR directors and nominated individuals who are at an early stage of their local government career.

A survey was also disseminated to CCN member authority workforces, to gain their views and insights on a range of questions based around the four research themes. This was one of the most significant surveys conducted across member authorities given the sheer numbers of local government employees it reached. In total, there were 6,119 responses from officers in CCN member authorities invited to take part with over half of the respondents working in front line service delivery. Further details on survey respondents can be found in Appendix 1.



Purpose

Why people choose to work and stay in local government



Values

Understanding conditions for success



Brand

Understanding the impact of sector perceptions



Skills and Capabilities

Identifying future learning and development requirements in response to the evolving work environment

Why is workforce one of the most fundamental issues facing employers across the UK?

Macro factors are having a significant impact on the UK labour market, with business leaders across all sectors prioritising transformation¹, which has wide-ranging implications for workforces. These issues include the economy and labour market, as well as the key disruptors, such as hybrid working, rising use of AI or rapid implementation of AI and the capabilities required for the future. These factors have, in turn, contributed to some of the most significant shifts for workforces across all sectors in the UK that we have seen in recent times.



UK economy and labour market outlook

In 2022, due to a series of macro-economic shocks, inflation reached its highest level in 40 years. These included – amongst others – the pandemic, EU exit and the impact on the supply chain which has led to changes in spending habits, costs and the higher prices of imported goods. The pandemic also contributed to a fall in the number of people available to work, which in turn led to employers offering higher wages being able to compete. In order for this move to be viable and sustainable, businesses have had to increase their prices to cover these costs. Above this, Russia's invasion of Ukraine led to rising energy and food prices, further exacerbated by poor harvests globally. Whilst the inflation rate had fallen to 5.2% by the end of 2023², inflationary pressures³ experienced in the UK have had a significant, long-term impact on UK households and businesses.

The UK labour market is continuing to evolve, with a growing gig economy and technology facilitating greater hybrid and remote working. The number of vacancies fell in the last quarter and over the year to 934,000 in October to December 2023, but remain 133,000 above pre-pandemic levels⁴. This supports the previous evidence that there are labour market shortages across the UK. Despite this, rates of economic inactivity have risen in the UK, with the UK being the only country in the developed world where labour market inactivity is currently greater than beyond the worst point of the Covid-19 pandemic.

Nonetheless, the legacy of the pandemic masks a wider issue in the UK economy of the ageing population. It is predicted economic inactivity due to the ageing population will rise by 2.4m by 2030, with 90% of this rise coming from the 65+ age group. This context highlights the need for organisations to cater their recruitment strategies and workplace offers to a wider demographic.

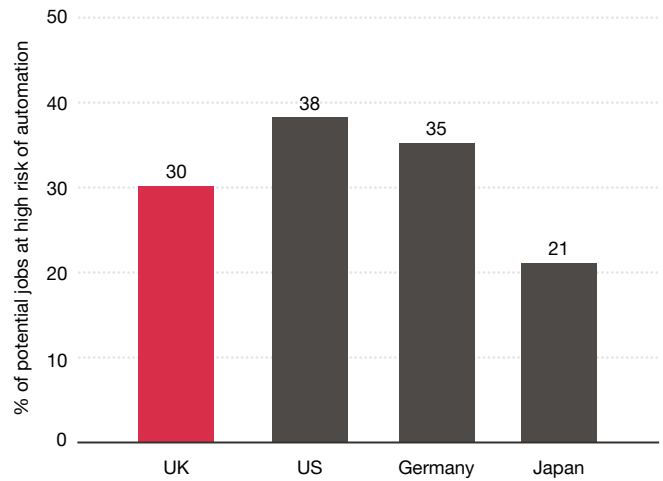
1. PwC's 27th UK CEO Survey <https://www.pwc.co.uk/ceo-survey.html>
2. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/december2023>
3. <https://www.theguardian.com/business/2023/nov/02/bank-of-england-leaves-interest-rates-unchanged-inflation-slowdown>
4. <https://researchbriefings.files.parliament.uk/documents/CBP-9366/CBP-9366.pdf>

Workforce disruptors

Skills and capabilities of both the current and future workforces are at the forefront of employers' minds as they plan for future sustainability.

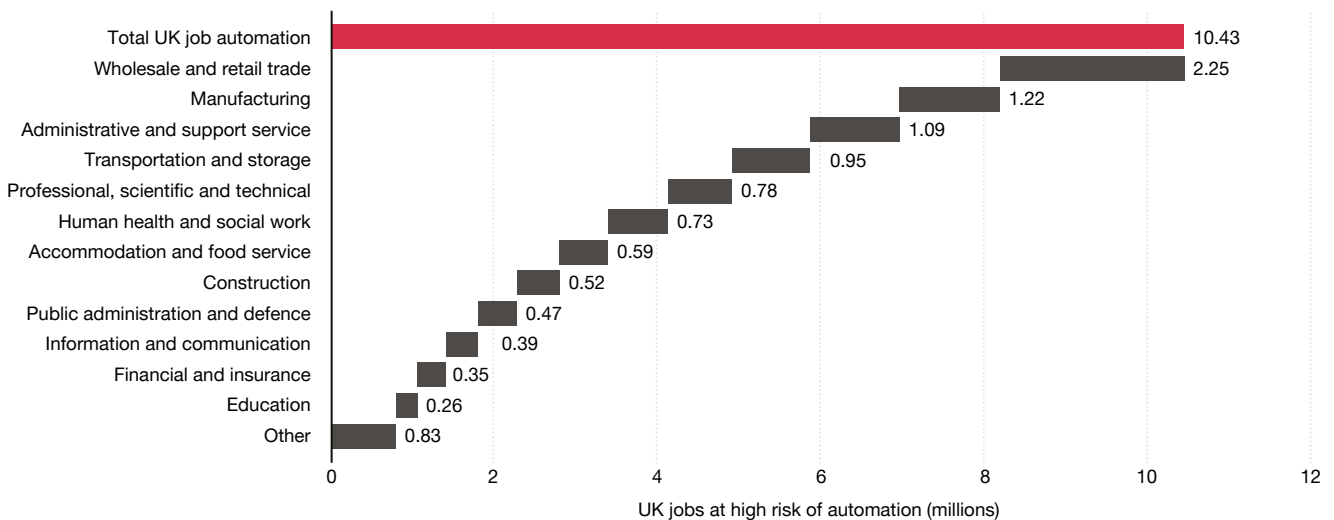
The UK government has published plans for a consultation to regulate AI⁵ and has set out its vision for a future AI-enabled country which complements and enhances ways of working rather than disrupts. Organisations are increasingly investing in AI and recognise the importance of AI-aligned strategy to enhance business decision-making, process automation and solve practical problems. PwC research⁶ has found 54% of employers say AI solutions have already increased productivity. Whilst research suggests that up to 30% of UK jobs could potentially be at high risk of automation by 2030, this is lower than the US (38%) and Germany (35%) and of less risk for sectors such as health and social work (17%)⁷.

Figure 1: Potential jobs at high risk of automation by country



Sources: ONS; PIAAC data; PwC analysis

Figure 2: Potential jobs at high risk of automation by UK industry sector



Sources: ONS; PIAAC data; PwC analysis

There are an increasing number of routes for skills development, with greater access to apprenticeships and T-levels. Despite this, the Chartered Institute of Personnel and Development (CIPD) have estimated 20% of the UK workforce will be significantly underskilled for their jobs by 2030⁸. Presently, six in ten (66%) of large UK employers state they struggle to recruit employees with the skills they need, which is a critical barrier to growth and increased productivity. Despite these recruitment challenges, employers are not investing enough in skills training. A 2022 report by the Learning and Work Institute⁹ argued that the UK currently risks “sleepwalking to stagnation in skills”, due to a significant decline on employee training spend between 2005 and 2019, from £2,139 to £1,530 per year.

With the rise of AI and technological innovations, digital skills are becoming increasingly essential. Despite this, (almost a third) 27% of UK workers say they lack sufficient digital skills required for their job role, and over half (58%) of workers say their employer has never provided them with training to improve digital skills¹⁰. Above the need for increased digital skills, the World Economic Forum has reported an increased importance of complex problem-solving skills, as well as resilience, flexibility and agility¹¹.

5. <https://www.gov.uk/government/publications/ai-regulation-a-pro-innovation-approach>
 6. <https://www.pwc.com/gx/en/issues/data-and-analytics/artificial-intelligence/organisations-business-strategy.html>
 7. <https://www.pwc.co.uk/economic-services/ukey/pwcukey-section-4-automation-march-2017-v2.pdf>
 8. <https://www.cipd.org/uk/knowledge/factsheets/skills-factsheet/>
 9. <https://learningandwork.org.uk/wp-content/uploads/2022/04/Raising-the-bar-Increasing-employer-investment-in-skills.pdf>
 10. <https://www.oxfordcollege.ac/news/skills-gap-statistics-uk/>
 11. <https://www.pwc.com/gx/en/about/contribution-to-debate/world-economic-forum/enabling-a-reinvention-ready-global-workforce>

What are the key workforce challenges impacting local government?

Local government is a significant employer in the UK, with the workforce estimated to be at over 1.1m¹². The impact of the macro workforce challenges is being felt across local authorities. These specific challenges include funding and is being compounded by service pressures, demographics and competition with other sectors.

Local government funding challenges continue to impact the sector

The Local Government Association (LGA) estimates councils face a funding gap of £4bn over the next 2 years¹³. For county and unitary authorities, the CCN recently estimated that their councils are set to overspend by almost £650m this year due to spiralling costs, particularly in children's social care and home to school transport, with four in ten of its member councils unsure or not confident they can deliver a balanced budget in 2024/25¹⁴. Increasing numbers of authorities who have relied on the use of reserves to maintain services are finding this approach is no longer sustainable, given the impact of inflation on service delivery. Services are being stretched further by the ongoing cost-of-living-crisis impacting UK households, contributing to rising demand.

The impact of these financial challenges over the past decade can be seen in workforce data for county and unitary councils, as service redesign and internal reorganisations have cumulatively led to a significant reduction in the staff headcount for both CCN members and wider local government across England. A CCN analysis of Local Government Association workforce statistics set out in the table below shows there has been a 32% reduction in headcount. This is slightly above the rate for England, which saw a total headcount reduction of more than half a million over the period. It is also worth noting that more of these losses were for part time posts, contributing to the fact that job losses were greater amongst female members of the local government workforce.

Table 1: Change in local authority workforce since 2012

Area	CCN				England			
	Q3 (Jul-Sep) 2012	Q2 (Apr-Jun) 2023	% change	No. Change	Q3 (Jul-Sep) 2012	Q2 (Apr-Jun) 2023	% change	No. Change
Total Headcount	670,719	462,731	-32.1	-215,463	1,734,939	1,183,223	-31.5	-551,716
Full Time	261,035	187,043	-24.7	-64,377	789,894	564,835	-23.9	-225,059
Part Time	409,685	260,814	-36.9	-151,088	945,046	580,823	-37.9	-364,223
Permanent	571,905	410,493	-28.9	-165,340	1,513,997	1,054,022	-29.7	-459,975
Temporary	98,816	52,239	-50.7	-50,128	220,946	129,199	-44.0	-91,747
Female	539,180	369,654	-32.3	-174,043	1,319,548	881,062	-32.9	-438,486
Male	131,539	93,077	-31.5	-41,422	415,392	302,159	-27.2	-113,233

Source: Local Government Association

12. The Local Government Association's 2023 Q2 reporting

13. <https://www.local.gov.uk/parliament/briefings-and-responses/lga-submission-202425-provisional-local-government-finance>

14. CCN Analysis: Budget Pressures – Autumn 2023 <https://www.countycouncilsnetwork.org.uk/download/5081/?tmstv=1702624101>

These funding challenges mean many local authorities are struggling to compete for talent, with the total local government offer failing to attract and retain skilled employees

Chief executives interviewed as part of this research referenced the challenge of pay and that other industries – such as retail – are offering competitive and often higher salaries. This challenge is particularly felt in rural councils, where geography has a bigger impact on the labour market.

As shown in the tables below, our workforce survey found one quarter (26%) of respondents only anticipate working in local government for up to four more years. Moreover, over 55% of respondents to our survey rank improved pay as the most important factor when asked about what elements of their employment offer could be improved to motivate continuing a career in local government.

Table 2: How long do you anticipate working in local government for?

	All responses	Aged 18-34	Worked in LG less than 3 years	Worked in LG 5-10 years
12 months	8%	7%	9%	6%
2 – 4 years	18%	21%	27%	13%
5 – 10 years	27%	26%	30%	30%
Over 10 years	46%	46%	34%	51%

Source: PwC and CCN Workforce Survey

Table 3: What could be improved about your employment offer to motivate you to continue a career in local government? Top ranked answer

	All responses
Improving the non-financial reward offer (e.g. employee discount portals)	6%
Flexible/ hybrid working opportunities	22%
Help to identify career pathway opportunities to grow my career	9%
Improved pay	55%
Secondment opportunities with the wider public sector	2%
Professional development opportunities (e.g. help gaining qualifications or accreditations)	5%

Source: PwC and CCN Workforce Survey

Beyond pay, the workforce is changing what it looks for in an employer. Our engagement with chief executives highlighted changing workforce attitudes to defined career paths. Another consideration for the sector is the newest generation to enter the workforce, Gen Z, who are finding it more important to seek roles at mission-led organisations where, as individuals, they can have a positive impact. Local government’s pivotal role in society through shaping lives at a community level has breadth of opportunity to offer the Gen Z workforce, but this is not currently fully harnessed by the sector.

Buckinghamshire Council: “Try before you apply” and “Meet the expert”

Buckinghamshire Council has embarked on a new approach with hard-to-fill roles. To improve accessibility and attract talent to the roles, they host virtual Q&A sessions for prospective applicants, led by experts in their respective fields. These interactive sessions provide a platform for candidates to gain insights into what it’s like to work for the council and to have their queries around the role addressed directly.

Over the past year, they have successfully conducted 25 sessions under the ‘Try Before You Apply’ and ‘Meet the Expert’ initiatives for Planning, Occupational Therapy, Educational Psychology, and Children’s and Adult Social Care with a significant number of attendees. These interactive sessions serve a dual purpose – enhancing transparency and setting clear expectations for prospective employees, whilst also enabling them to attract the right talent effectively. Sessions are advertised on Buckinghamshire’s dedicated LinkedIn, Facebook, X (formerly Twitter) and Instagram channels.

Demographic pressures across the UK are contributing to workforce capacity issues across local authorities

The UK's ageing population is having a significant impact on the labour market in England's county areas. CCN's economic inactivity analysis¹⁵ has found that over 100,000 people have taken early retirement in England's county areas, contributing to hundreds of thousands of people leaving the jobs market over the last three years, squeezing local labour supply. Historic local government recruitment challenges remain, with chief executives and HR Directors who took part in our research citing social care and planning as key challenge areas for recruitment.

In addition there is also the issue of addressing the volume of young people needed in the sector to support succession planning. Workforce capacity and productivity is a persistent issue for local authorities, not helped by continued funding reductions resulting in reduced headcount and growing service demands. With under 25's representing approximately 4.6% of the England and Wales local government workforce, compared with 66.9% aged 40-64, this clearly shows that current workforce composition is not sustainable for the long term¹⁶. The lack of workforce capacity, when combined with the ageing population and lack of sufficient younger talent entering the sector, is having significant implications for local government as an employer.

4.6%

of the current workforce of local government are under 25 compared with

66.9%

of the current workforce of local government are between the ages of 40-64



Surrey: Using video recruitment to challenge stereotypes and appeal to under-represented groups

Surrey's Fire and Rescue Service embarked on a new recruitment campaign to depict the modern role of fire fighting, showcasing the varied work and skills needed, whilst not alienating existing staff who may hold more traditional views. A further objective of the campaign was to appeal to people from under-represented groups, such as women and those from ethnic minorities.

A recruitment campaign included the creative agency LIQUONA producing a film that was designed to challenge the stereotypes through humour. The target was to attract 400 applications, but the campaign delivered almost three times that. One in five applicants came from ethnic minorities, much higher than the local population figure, with an uplift in applications from women. The video recently won at the Recruitment Marketing Awards, and can be viewed [here](#).

15. www.countycouncilsnetwork.org.uk/pandemic-triggers-dramatic-rise-in-people-leaving-the-jobs-market-in-rural-county-areas-as-council-leaders-call-for-fresh-powers-to-tackle-the-labour-squeeze/
16. <https://www.local.gov.uk/sites/default/files/documents/Workforce%20Infographic%202023%20-%2030%20October%202023.pdf>

Public perception and scrutiny of public sector organisations is impacting the local government brand

Trust in government can have a significant impact on public perceptions, and therefore the attractiveness to work in the sector. PwC's Future of Government research exploring 'How can we restore trust in our public institutions?' Capital - Initial public polling in 2023 found nearly two-thirds of people did not trust public institutions to spend money wisely or to represent their interests, and nearly half did not trust them with making plans for the future.

These findings are supported by the OECD's 2023 report 'Trust in Government' which shows that younger people, women, those on lower incomes and with lower levels of education, and who feel financially insecure, consistently have lower levels of trust in government. Importantly, compared with central government, the polling found local governments tend to inspire more confidence. On average across OECD countries, almost half (46.9%) of people say they trust their local government and only 32.4% say they do not trust their local government. This is a challenge local authorities must seek to overcome in order to remain competitive in the labour market and an employer of choice.

Public scrutiny and the wider challenges experienced within the sector are contributing to a number of local authorities struggling to attract talent to essential leadership roles

Herefordshire County Council: The Spirit of Herefordshire

The [Spirit of Herefordshire](#) is a term and concept penned by our Chief Executive that embodies his perspective and experience of coming to work at Herefordshire Council.

As part of our improvement plan for the Children & Young People directorate, we wanted to create a platform that not only advertised our vacancies but provided essential information about coming to work in Herefordshire.

Herefordshire is a well-kept secret, so we needed to highlight not only the great work done by the Council teams but the wonderful community, landscape and opportunities to be had here.

What started as a recruitment microsite quickly developed into its own branding to represent the coming together of elements from each Directorate to create a place to live work and thrive, and is now the backdrop for all our recruitment activities, 'Thrive' which is our transformation programme, our workforce strategy and culture change programme.

Future sustainability of the local government workforce is key – however the sector needs a clear plan for future skills and capabilities which needs to include greater adoption of technologies and AI

Ensuring the workforce is fully equipped to operate in an evolving environment and generating greater productivity, developing skills for the present and the future is a key area for local authorities. Constrained local government funding means there is a limited financial envelope available to identify and develop the local government workforces with the future skills required. Related to this, local authorities in England have urged the government to give them greater powers over apprenticeships and adult education, with chief executives interviewed as part of this research highlighting that there is a necessity for flexibility in apprenticeship funding. This lobbying is as a result of CCN research showing a decline in almost 200,000 people taking part in the adult education offer within their local areas over the last 5 years¹⁷.

Whilst the use of technology within local government has increased significantly in recent years, in part accelerated by the changing working environment during the pandemic, the use of technological innovations still falls behind other sectors. A 2022 poll of councillors conducted by the CCN discovered that seven in ten (71%) expect their local authority to adopt a hybrid model to mix remote and office working for most of their staff¹⁸. This shows investment in technology is vital for future proofing the hybrid working environment.

Organisations are increasingly seeking to invest in AI to improve working practices and delivery, with over three quarters of respondents saying they see the benefits of AI. Yet our engagement with chief executives found that where adoption of AI is being explored, it is piecemeal. As our survey shows, respondents to our survey believe AI will impact positively on their career, but local government risks falling behind the curve here. The LGA reports the sector is only just starting to consider the opportunities and risks of this type of technology and a sector-wide approach is yet to be adopted¹⁹. Within this wider context, the ethical use of data and information will be vital for the sector to consider when implementing new technologies to support the workforce and service delivery.

Table 4: Do you believe increased use of technology and automation will positively impact your future local government career?

Yes, I believe technology and automation will have a positive impact on my local government career	77%
No, I believe technology and automation will have a negative impact on my career	23%

Source: PwC and CCN Workforce Survey

17. <https://www.ft.com/content/47b78873-cff7-4ae7-ad96-3d4d33e3f07e>

18. www.countycouncilsnetwork.org.uk/moving-permanently-to-a-hybrid-model-of-both-online-and-in-person-council-meetings-would-improve-the-diversity-of-local-councils-a-new-survey-says/

19. <https://www.local.gov.uk/publications/using-predictive-analytics-local-public-services>

Buckinghamshire Council: New employer brand to showcase the employee value proposition

Buckinghamshire Council launched a new employer brand this year, following extensive staff research. The new positioning statement, informed by the organisation's values, highlights the Council's commitment to serving the community, and growth opportunities for staff from within. Key themes include 'part of something bigger', 'our work matters', and 'be the best you' – to showcase the unique experiential and emotional benefits which make Buckinghamshire County Council an 'employer of choice'.

Buckinghamshire Council was nominated for 'Best Employer Brand' at the 2023 PPMA Awards. The brand is now integrated into talent attraction materials, including a new careers website and recruitment campaigns for hard-to-fill roles, such as Country Parks Rangers and Educational Psychology, which are run across the dedicated LinkedIn, Facebook, X (formerly Twitter) and Instagram channels.

“

Local authorities have a role to play in leading by example as major employers, at the same time as supporting other organisations in their areas to adopt more modern approaches to workforce planning. To address the key workforce challenges facing the sector, local government needs to tackle the associated challenges head on and take advantage of emerging opportunities to build a sustainable workforce for the future and remain a relevant employer in the labour market.

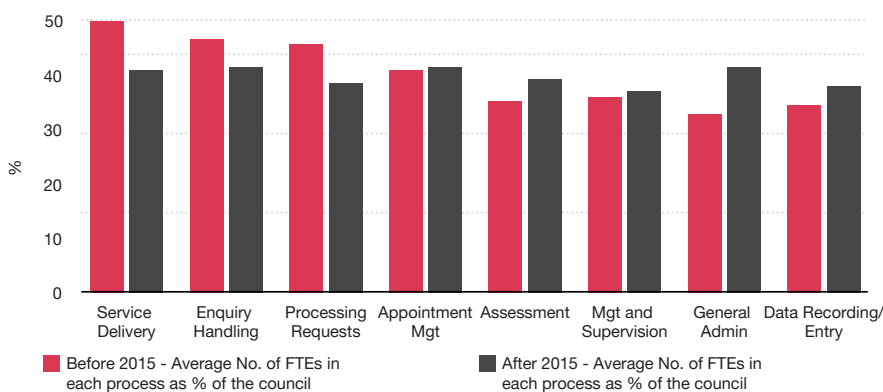


How is local government service delivery changing?



To gather information on changes to local government service delivery, we used an activity analysis tool. An activity analysis is an established local authority tool that identifies how staff spend their time doing different activities and provides a whole-council view of where staff focus their efforts. This section provides an overview of the activity analysis and changes within the sector since our last Future of Local Government report.

Figure 3: Activity Distribution - Change over time



Source: PwC



What's changed since we first reported on local government activity?

In our previous Future of Local Government report, we analysed how councils had adapted over the last decade. In this report, our activity analysis focussed on the time councils spent on a range of process activities. This data was collected over a ten year time period to show changes in council activity over time, between pre and post 2015 council data sets. We've built on this analysis for this report, and have included county unitary authority data, in acknowledgement of the growing number of unitaries within the CCN membership. The findings continue to show the varied ways in which councils have evolved and responded to the evolving funding, societal and policy landscape in order to deliver vital services to their communities.

- The latest data shows there has been a **significant fall in staff effort dedicated to 'service delivery'**. Within this time period, councils have reduced the level of service offered in line with their funding envelope, and increasingly commissioned services which can provide better value-for-money and/or specific capacity and expertise to support effective service delivery. Funding pressures have also forced councils to cut discretionary spend on non-statutory services which further contributes to this fall.
- The proportion of time spent on **'general administration' and 'recording and data entry' has increased slightly**, suggesting that efforts to digitise processes have not yet been widely adopted, or where they have been, they have failed to enable large-scale reductions in overall administrative burden. More can be done to take advantage of technological innovations across the sector to fully harness the opportunities technology and automation can bring.
- **More time is being spent on 'assessment' and 'appointment booking' processes**, suggesting two things. Firstly, more time is being spent supporting the demand rise for service, particularly adults and children's social care. Secondly, ever-greater scrutiny is being applied to public requests for council services. These are areas that could benefit from AI and automation investment to help alleviate the workforce pressures in this area, especially given the rising demand for services.
- The proportion of **time spent on corporate/enabling service processes has remained largely stable** across the time period. Following an initial reduction in the amount of staff effort focussed on corporate services, there has been a recent re-investment in these services. This investment aims to support large-scale council-wide transformations, which councils are recognising as vital to continue to deliver its services in an increasingly tight budget envelope. Corporate services are best placed to coordinate and plan the levels of innovation required as part of transformation investment.

Lancashire County Council: attracting talent, including targeting the next generation workforce

Lancashire County Council (LCC) has made a number of key changes to its attraction methods over the last two years through the introduction of a Talent Acquisition Team within the Council. Changes have been made to the way jobs are advertised, with a stronger focus on job values and characteristics, as well as highlighting the wider employment benefits available. LCC now attends careers fairs to encourage graduates and postgraduates, including international students, to join the workforce, and sees up to 360 potential applicants in a day. In addition, it attends country fairs to ensure they attract those who also value their communities. LCC's recruitment social media presence has increased, with social media activity reaching 960,000 people, helping to stand out from competition.

Introducing the research themes

To establish a more detailed understanding, research was conducted across four broad themes. These themes were developed reflecting following the macro and sector specific challenges, to help identify opportunities and solutions for the sector.

A comprehensive engagement programme has taken place with nominated CCN member authorities for this report. Some of the key activities include:

- 1:1s with nominated CCN authority chief executives and/or HR directors.
- HR leadership focus group, nominated by chief executives participating in this research.
- Focus groups with nominated individuals early in their local government careers. Participants included graduates, apprentices and those who entered the workforce

The four broad research themes were agreed through consultation with an established Steering Group of CCN member authority chief executives.



1. Purpose

Why people choose to work and stay in local government

This theme focuses on what can be learnt from the experiences of those working within the sector, including what local government can offer to attract staff to the sector and to encourage retention. This exploration will also help to understand what is not working so well, and what needs to be addressed to encourage future talent into the sector.



2. Values

Understanding conditions for success

Organisational values are an increasingly important consideration for job seekers. Here, the focus is to understand what makes individuals proud to work in local government. In addition, the theme seeks to understand what elements of the local government employment offer are most valued by employees in the sector, and what may need to change to attract and retain the workforce of the future.



3. Brand

Understanding the impact of sector perceptions

Given the increased public scrutiny of public sector organisations in recent years, as well as the portrayal of public sector services within the media, this theme seeks to understand the impact of sector perceptions, and aims to uncover what changes need to be made to improve the narrative and help local government become an employer of choice. Within this theme, the role that other organisations play in supporting and promoting the local government brand is also explored.



4. Skills and capabilities

Identifying future learning and development requirements in response to the evolving work environment and need to increase productivity

The current and future workforce needs to be equipped with the skills and capabilities to thrive in an increasingly evolving work environment, with technological innovations a key factor to consider within this. This final theme unpacks the skills and capabilities required of the future local government workforce and associated training opportunities to support the development of these skills and capabilities. The appetite and perceptions of use of technology and AI to support local government is also explored.

Purpose

A clear purpose informs everything an organisation does, for both current and prospective employees. Individuals seeking a new employer are increasingly looking for wider, non-financial factors, such as ways of working, culture and career progression opportunities. For local councils who are historically among the lowest-paying of public sector organisations, this demonstrates the importance of showcasing authentic purpose in order to compete for talent in the labour market.



Providing employees with the right culture, resources and incentives will help organisations keep hold of their most in-demand talent, as well as attract new talent in a challenging labour market. Our previous Future of Local Government report found that it was important that an attractive ‘deal’ is established with the workforce, in order to remain competitive in the employment market and recruit and retain the best possible talent, and this continues to be a theme for 2023.

Having a clear sense of purpose can build trust. OECD’s 2023 Trust in Government polling found local governments tend to inspire more confidence than central governments, with 46.9% trusting their local governments. The OECD’s findings are relatively consistent with PwC’s Future of Government research, where 40% stated they trust local government to deliver²⁰, which shows there is significant opportunity for local government institutions to showcase clarity in purpose to help boost future trust of the residents and businesses it serves.

Traditionally, the local government pension scheme was seen as one of the key influencing factors for individuals choosing to work in local government. However, as our survey results show, such traditional pulls are no longer as attractive to the workforce of the future, with flexibility and feeling valued now being among the most important influencing factors to determining employment, aside from pay.

For some hard-to-recruit roles, the chief executives interviewed as part of this work highlighted that the use of market supplements can be initially attractive to prospective employees. However, those who raised this as an initiative highlighted that the wider employment offer is more important in order to retain those staff.

Local government is responsible for arguably the most complex range of services in the public sector, touching the lives of people and businesses throughout its local communities, therefore making its purpose wide-reaching and impactful. The significant contribution and positive impact local government makes on society draws values-driven individuals to its wide-reaching roles.

20. <https://www.pwc.co.uk/industries/government-public-sector/insights/the-future-of-government/rethinking-levelling-up>

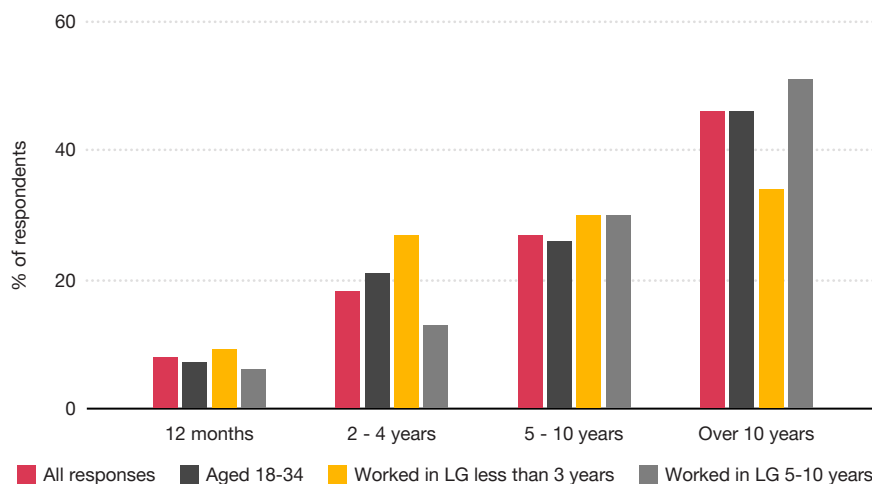
What did the workforce survey tell us?

Respondents aged between 18-34 show a high level of commitment to working in local government for the long-term, with almost half (46%) anticipating they will stay in local government for over 10 years. However, a significant proportion (28%) of 18-34 year olds stated they anticipate working in local government for less than four years. This reveals there is much work to be done in encouraging and supporting young adults to remain within the sector, and it is of critical importance for future sustainability, given the current demographic breakdown within the sector's workforce.

By analysing personal motivations, we found that almost half (45%) of respondents were first attracted to pursue a career in local government due to a 'passion for public service', supporting the importance of individuals seeking purpose and positive impact in their roles. Traditional pulls, such as the pension scheme, were perceived as less important, with 39% citing this as a reason for pursuing a career within local government.

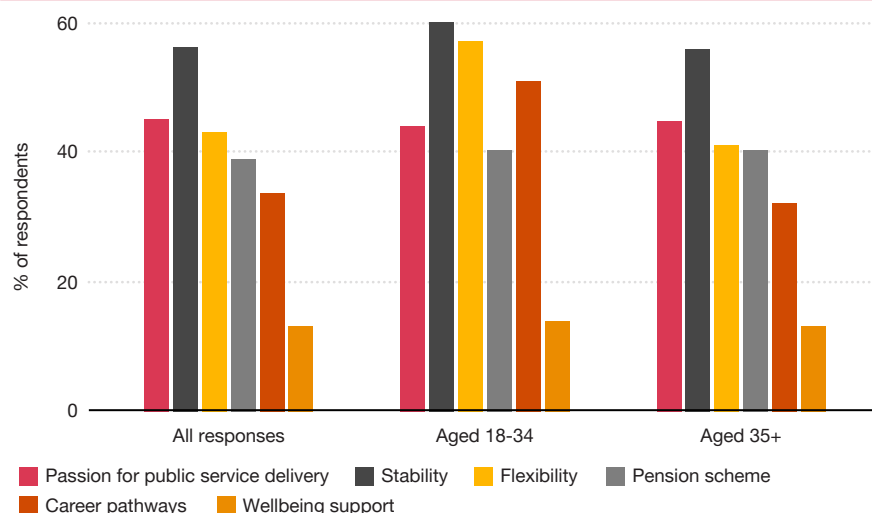
Flexibility is also of great importance to respondents, with 43% confirming this as a key reason for joining local government, with the importance of flexibility even higher for those aged 18-34 (57%). Those aged 18-34 were also much more drawn to career pathways (51%) than those aged 35+ (32%). The stability provided by a role in local government scored consistently highest amongst all respondent age groups, with over half (56%) stating this was a reason for joining the local government workforce.

Figure 4: How long do you anticipate working in local government for?



Sources: PwC and CCN Workforce Survey

Figure 5: Which of the following reasons first attracted you to pursue a career in local government?



Sources: PwC and CCN Workforce Survey

45%

of respondents were first attracted to pursue a career in local government due to a 'passion for public service', supporting the importance of individuals seeking purpose and positive impact in their roles

28%

of 18-34 year olds stated they anticipate working in local government for less than 4 years

43%

stated flexibility as a key reason for joining local government, with the importance of flexibility even higher for those aged 18-34

46%

anticipating they will stay in local government for over 10 years

Table 5: How important are the following employment benefits to you?

	All respondents	Aged 18-34	Aged 35+
Local government pension	91%	83%	92%
Flexible working hours	89%	89%	89%
Chance for hybrid/ remote working	83%	88%	82%
Pay	95%	98%	95%
Voucher or employee benefit schemes	25%	34%	24%

Source: PwC and CCN Workforce Survey

Flexibility, both in nature of role and career pathways, as well as day to day flexibility in a role, is a part of the employment offer local government can continue to strengthen. This is supported by the chief executives interviewed as part of this research, where a theme in changing workforce attitudes to defined career paths was acknowledged.

While traditional employment benefits such as the local government pension scheme are seen as less important 'pull factors' amongst our survey respondents, this does not mean they are not valued. As the table above shows, 91% of respondents to our survey said the local government pension scheme was important to them, only behind pay at 95%. Again, these results show that flexible working is a considerably important employee benefit, alongside remote working.

These survey responses provide a wealth of clarity in relation to the current workforce. Consideration also needs to be given to attracting future talent and being clear on the organisation's purpose to successfully recruit these individuals, whose motivations for joining local government may differ from the current workforce.



Values

An organisation's values are inextricably linked with its purpose, with local government historically recruiting values-driven employees. It is vital for local government to continue to attract the best future talent by authentically showcasing its values, bringing to life the alignment between individual and organisational values, and how a career in local government can make a positive impact on society.

East Sussex County Council: Showcasing authenticity of values and purpose through recruitment

East Sussex County Council (ESCC) launched its 'Choose East Sussex' recruitment campaign in 2022. The campaign is shining a light on what makes ESCC a fulfilling place to work, featuring its own employees. It showcases the real and positive difference the organisation makes to people and communities in the county, with culture and values at the heart of the messaging. Since its launch, the proportion of vacancies filled has risen from 33% to more than 50% and applications from candidates of a minority ethnic background have doubled.

The ability to attract values-driven employees relates to the breadth of services provided by local authorities - and the wider public sector - that touch the lives of its residents directly and indirectly every day. The ability to make a difference has been a major contributing factor to attracting and retaining employees. Despite this, local authorities do not invest enough in showcasing their great work and achievements and how their purpose directly links to the values within the local government sector. Recruitment campaigns typically target a particular role, such as social workers or planners, rather than promoting the opportunity and benefits of working for a council in a holistic way. The ability to make a difference is something that private sector organisations are increasingly marketing, thereby competing with one of local government's unique selling points. Chief executives interviewed as part of this research recognise the opportunities in marketing an individual's impact and values over the individual role, which demonstrates clear awareness from the sector that more can be done to highlight the values-based nature of local government careers.

Flexibility is increasingly important to UK employees, with the CIPD estimating 4 million UK employees have changed careers due to a lack of flexibility in their employment²¹. The Government is also introducing the Flexible Working Bill²², which comes into effect in 2024 and includes the right for workers to request flexible working arrangements from day one of employment. However, flexibility reaches beyond working arrangement, and also includes flexibility in career options as part of the wider employment offer.

It is recognised that a one size fits all approach is no longer attractive or viable for organisations in setting their total employment offer to the workforce. For local government, flexibility in approach is required to attract a more diverse future workforce. To achieve this, the sector must be clear on its core values and how these meaningfully translate to its workforces, the approach of which may differ depending on demographic bracket.

Currently, local government shows strength in providing flexibility of career development cycles as part of its structured graduate programmes, including the National Graduate Development Programme (NGDP), where graduates are given career development opportunities in multiple council departments for the duration of their graduate scheme. This concept of cyclical career development is not currently offered more broadly to local government workforces beyond the structured graduate programmes.



21. <https://www.pwc.co.uk/industries/government-public-sector/insights/the-future-of-government/rethinking-levelling-up>
22. <https://www.cipd.org/uk/about/press-releases/4-million-career-changes-flexibility-issues/>

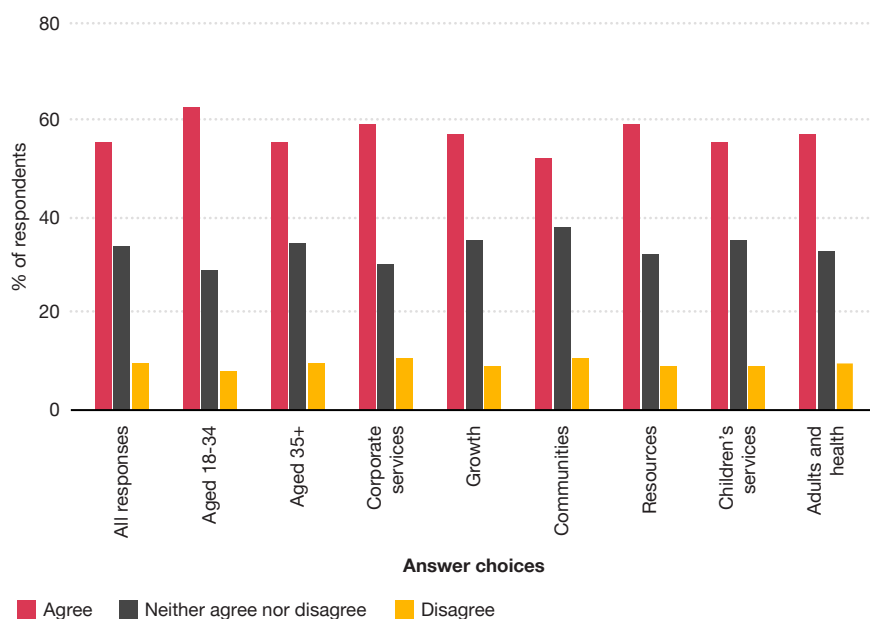
What did the workforce survey tell us?

As set out in the previous chapter, our survey confirms local government recruits values-driven employees, with 45% citing ‘passion for public service delivery’ as the reason they first pursued a career in the sector. This is a strength for the sector to build upon. A World Values Survey shows that by international standards, the UK is relatively less likely to agree that work is a duty towards society. Six in ten (60%) of people in the UK say work is a duty towards society, compared with other peer countries, such as Norway (86%), Germany (74%) and Sweden (71%).²³

The majority of our survey respondents are proud to work in local government and feel the values and culture experienced whilst working in local government align with their personal values. The responses are consistent across all directorates. When responses are broken down by age range, the same consistency applies, however, those aged 18-34 had the highest agreement with the statement (63%) compared with those aged 35 and over (56%).

Feeling valued by an employer is important to employees regardless of sector. A recent study²⁴ found that over half (58%) of employees are considering leaving their jobs in the next 12 months because their employer doesn’t share the same values as them. For our workforce survey, only 51% of total survey respondents (57% for those aged 18-34) feel their feedback and opinions are valued by their employer, highlighting a key opportunity for local authorities to improve on internal mechanisms to gather and show employees how they have acted on their feedback, as well as better market the total employment offer to the workforce.

Figure 6: “I am proud to work in local government and the values and culture of my local authority align with my personal values” Do you agree or disagree with this statement?



Sources: PwC and CCN Workforce Survey

Table 6: Do you feel your feedback and opinions are valued by your employer?

Answer Choices	All responses	Aged 18-34	Aged 35+
Yes	51%	57%	52%
No	38%	36%	38%
Prefer not to say	11%	7%	10%

Source: PwC and CCN Workforce Survey

In terms of an individual's value on flexibility and total employment offer, 65% of respondents believe their local authority offers benefits and working patterns tailored to their own needs and preferences. This figure rises to 73% of those respondents aged 18-34. Those working in Children’s Services or Adults and Health are least likely to agree with the statement compared with other directorates.

60%

of people in the UK say work is a duty towards society

58%

of employees are considering leaving their jobs in the next 12 months because their employer doesn’t share the same values as them

23. <https://www.gov.uk/government/news/millions-to-benefit-from-new-flexible-working-measures>

24. <https://www.kcl.ac.uk/policy-institute/assets/what-the-world-thinks-about-work.pdf>

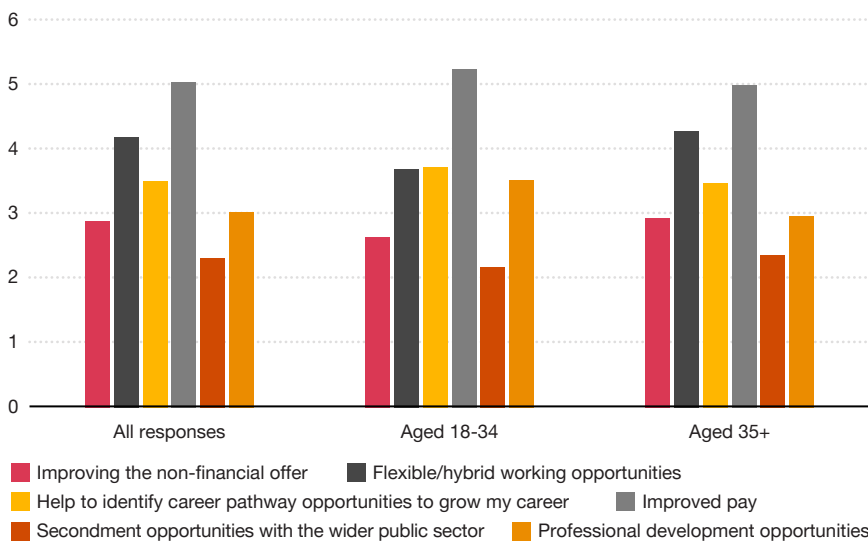
Table 7: “My employer offers benefits and working patterns tailored to my own needs and preferences” Do you agree or disagree with this statement?

Answer Choices	All responses	Aged 18-34	Aged 35+	Corporate services	Growth	Communities	Resources	Children’s Services	Adults & Health
Agree	65%	73%	65%	74%	69%	65%	70%	62%	60%
Disagree	14%	12%	13%	9%	10%	14%	12%	14%	18%
Neither agree nor disagree	21%	15%	22%	17%	21%	21%	18%	24%	22%

Source: PwC and CCN Workforce Survey

Looking at flexibility and the employment offer beyond working patterns, as set out in the graph below, our survey found those aged 18-34 place greater importance on career pathway and professional development opportunities, whereas the over 35’s ranked secondment opportunities with the wider public sector higher than those aged 18-34 when considering what they would like to see improved about the employment offer.

Figure 7: What could be improved about your employment offer to motivate you to continue a career in local government? Average rank



Sources: PwC and CCN Workforce Survey

These results provide a number of areas of opportunity for the sector to harness, which will be covered within section 7 of this report.

Warwickshire County Council: Attracting social workers through degree apprenticeship career pathways

The Social Worker Degree Apprenticeship has enabled a career development pathway for Warwickshire County Council (WCC) employees within Children and Families to gain qualified social worker status. Fully funded by the apprenticeship levy, employees in roles such as family support worker have been able to train with a local university for three years whilst also learning on the job with social workers to ultimately qualify and progress into social work roles.

Since 2019, 37 people have been enrolled onto the degree in total, with nine completing to date. With an additional 17 starting in September 2023 the service is looking to grow an exponential number of social workers to meet anticipated future demand. Two who graduated in 2023 began life at WCC as 18-year-old children’s social care apprentices (originally hired in 2016) – from A Level leaver to qualified social worker via apprenticeships with WCC, highlighting the success of the career pathway opportunity created.

Brand

Local authorities play a key role in our daily lives but this is often not fully acknowledged.



Employer branding creates an identity for an organisation. A successful employer brand aligns to an organisation's values and can help organisations differentiate themselves in the labour market, thereby improving reputation and credibility to attract and retain talent.

Despite economic uncertainty, PwC's 2023 Hopes and Fears workforce survey found that nearly a quarter of UK employees say they plan to switch jobs in the next 12 months²⁵. In addition, research from Forbes found that 75% of job seekers will investigate a company's reputation before applying for a job, and 50% of job seekers refuse to work for a company with a bad reputation²⁶. Employer branding is more important than ever to remain competitive and attract talent.

Many public sector institutions, due to the nature of their roles in society, possess a residual brand, regardless of whether individuals have any direct experience or interactions. The reputation associated with the brand thereby becomes an important consideration for potential employees. In the UK, the residual brand recognition for recruitment in the British Armed Forces and the NHS are arguably among the strongest in the public sector. Local government's residual brand is weaker than these institutions, evidenced by LGA's 2023 annual resident satisfaction survey. The findings discovered that only 22% of respondents said they have observed positive media coverage of their local council in the last few months, a fact which is inextricably linked to a lack of strength in local government brand²⁷.

However, it would be remiss not to mention the positive brand recognition that was born out of the Covid-19 pandemic. Councils played a vital role in the pandemic response at a local level, which at the time helped to restore public confidence in local government service delivery. During the pandemic, local government showed it was best placed to lead the charge on challenges impacting their communities, with the strength of local government and the level of trust placed in councils by their residents truly experienced on a national scale.

Despite showcasing its strengths, the UK's public institutions, including local government, face a widespread lack of faith from members of the public, which significantly impacts the local government brand. In February 2023, PwC conducted research to explore what is driving levels of trust in public institutions, surveying 4,060 people and undertaking multiple focus groups. It found that nearly two-thirds of people did not trust public institutions to spend money wisely or to represent their interests, and nearly half did not trust them with making plans for the future²⁸.

Through our research and focus group insights, a clear theme emerged around lack of branding and marketing within the sector, which can certainly be partially attributed to constrained budgets. Several chief executives interviewed as part of this work mentioned that they believe the sector is losing its unique selling point (USP) due to a lack of national brand, and this is further supported by conversations with early careers focus group engagement.

Selected participants confirmed their belief that local government is not currently proactive enough at showcasing the positive impact of the work and the initiatives it leads on, and does not currently drive the narrative about work within the sector. Instead, communications approaches tend to be reactive in response to local and national media enquiries, thereby sacrificing a lack of control on the narrative and, by association, public portrayal. In addition, the lack of proactivity bleeds into other areas. Also mentioned as part of the early careers focus groups was the lack of engagement local government has with young people who are seeking to understand career opportunities available to them.

75%

of job seekers will investigate a company's reputation before applying for a job

25. <https://www.peoplemanagement.co.uk/article/1802832/nearly-two-thirds-staff-will-quit-employer-doesnt-share-values-study-finds>

26. <https://www.pwc.co.uk/services/human-resource-services/insights/uk-hopes-and-fears-survey.html>

27. <https://www.forbes.com/sites/forbeshumanresourcescouncil/2022/09/09/the-importance-of-branding-your-recruiting-process/>

28. <https://www.pwc.co.uk/government-public-sector/assets/documents/future-government-restoring-trust-public-institutions.pdf>

What did the workforce survey tell us?

A lack of trust in local government work leads to negative residual brand impact, which directly impacts the ability of local government to attract and retain future talent. This is supported by the findings of the survey, where we asked the question “Do you think local government is perceived as an attractive employer for those who don’t currently work in the sector?” Alarmingly, nearly, two-thirds of respondents said no.

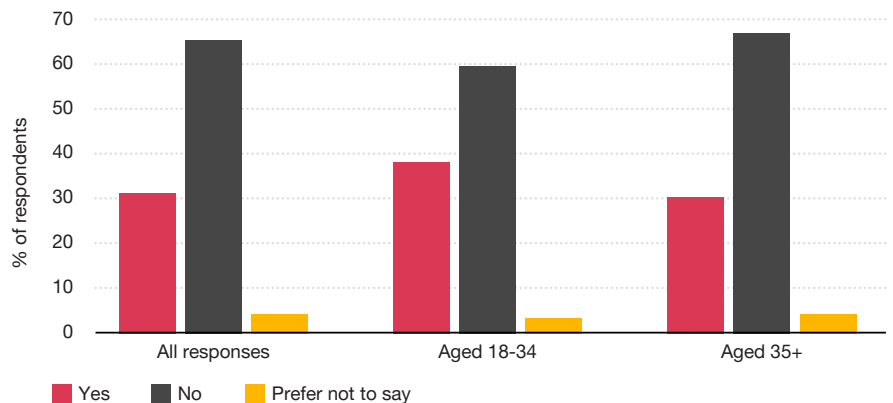
Interestingly, however, 73% of those surveyed said that they would recommend working in local government to friends and family. This shows that a strong local government brand would help to change the perception of prospective employees, whilst also acting to enhance the experience of those already working in the sector.

Those aged 18-34 are more likely to recommend working in local government to friends and family than those aged over 35 (80% vs 73%), although these figures are still high regardless of age demographic. Those working in corporate services are most likely to recommend working in local government to friends and family (79%), whereas those working in adults and healthcare, and children’s services are least likely (70% and 73% respectively).

73%

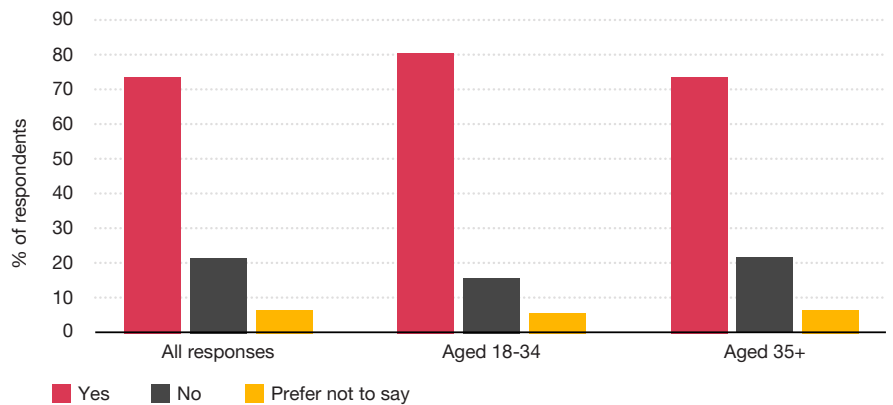
of those surveyed said that they would recommend working in local government to friends and family

Figure 8: Do you think local government is perceived as an attractive employer for those who don’t currently work in the sector?



Sources: PwC and CCN Workforce Survey

Figure 9: Would you recommend working in local government to family and friends?



Sources: PwC and CCN Workforce Survey

Skills and capabilities

Hybrid and remote working trends have facilitated competition for talent on a national and global scale. Now more than ever, high quality candidates have more access to choice in employment opportunities which means increased competition for local government. It is important the sector understands the skills and capabilities it needs, to target the right talent for its future workforce.

Undoubtedly the exponential advancement in technologies and automations, including AI, is at the forefront of consideration for organisations. In PwC's 27th UK CEO Survey³⁰ 87% of CEOs say they have recently completed or are currently running, or planning, at least one transformative IT project, and more than three-quarters (76%) say they will invest in cloud infrastructure and data and AI this year. Whilst technologies such as AI will impact the nature of work undertaken by workforces, a human-led approach is essential. Proactive organisations are upskilling their workforces in digital and robust soft skills such as adaptability, critical thinking, collaboration and resilience.

Research conducted by Stanford University supports this approach. They reported that AI-human partnerships will be of prime importance, and stressed the importance of human skills which AI does not replace, such as emotional and social intelligence, strategic and holistic thinking. However, the report also mentioned that it was important for the workforce to acquire new skills in AI literacy to increase their familiarity with the technology³¹.

Strong leadership is required within the sector to address the skills and capability requirements of the future. Leadership teams within local government continue to navigate challenging and complex landscapes, tackling the complex and varied challenges within their geographical footprints. Leadership roles in the sector are becoming increasingly more challenging to fill. Now more than ever, local government needs its leadership teams to play a vital role in shaping transformation to execute strategic and budgetary objectives. To do this, they need to ensure they are performing effectively, with clear purpose, capabilities, and accountabilities to successfully drive forward the changes required to transform.

There is an increasing trend towards a skills-first approach to hiring and people management, with organisations advertising a core set of skills, rather than a job profile for recruitment. For this approach to be successful, organisations must have robust workforce planning in place to help identify and plan the skills and capabilities required in the medium and long term, regardless of whether the organisation plans to address the skills and capabilities gaps in-house or explore alternative delivery models. This will have an impact on career frameworks, pay models and progression as pressure for critical skills increases.

For local government, there is a gap to fill to ensure workforce planning and alignment with corporate strategies to help identify and plan the future workforce skills requirements, including the necessary human skills to support the use of AI. The chief executives interviewed as part of this research agreed workforce planning needs to be better embedded as more of a consideration across their respective organisations.

Strategic workforce planning must also tackle the need to retain new employees early in their careers, beyond their graduate and apprenticeship scheme tenure, to ensure they do not lose talent they have heavily invested in for lack of career progression opportunities. Our early careers focus group engagement for this research highlighted the concern of 'hitting the ceiling' in career development due to a lack of available roles available to promote to, within their desired career progression timescales.

29. <https://www.pwc.co.uk/ceo-survey.html>

30. <https://www.pwc.co.uk/government-public-sector/assets/documents/future-government-restoring-trust-public-institutions.pdf>

When exploring workforce planning and skills requirements, our research has identified the need for the sector to balance the development of generalist and technically specific capabilities and reflect this in their recruitment planning and campaigns. An emerging theme from interviews with chief executives for this research found the need for soft skills, such as communication and teamwork. Workforce training is therefore of utmost importance to help manage the soft skills gap risk that comes with increased hybrid working and decreased face-to-face interactions with teams.

Looking broadly at future skills requirements, PwC's 2023 UK Workforce Hopes and Fears Survey³¹ found employees ranked human skills, such as adaptability, critical thinking, and collaboration as more important

to their future careers than specific technical skills. Awareness of the importance of human skills is higher in more skilled roles, however, workers feel employers are overlooking the skills that enable them to get the most from technology. Six in ten employees (63%) report having skills outside of their qualifications and professional experience, yet almost half (46%) believe employers are overly focused on the narrow confines of job history. This means the wider people infrastructure in local government from reward to performance management will need to adapt as the skills landscape is disrupted.

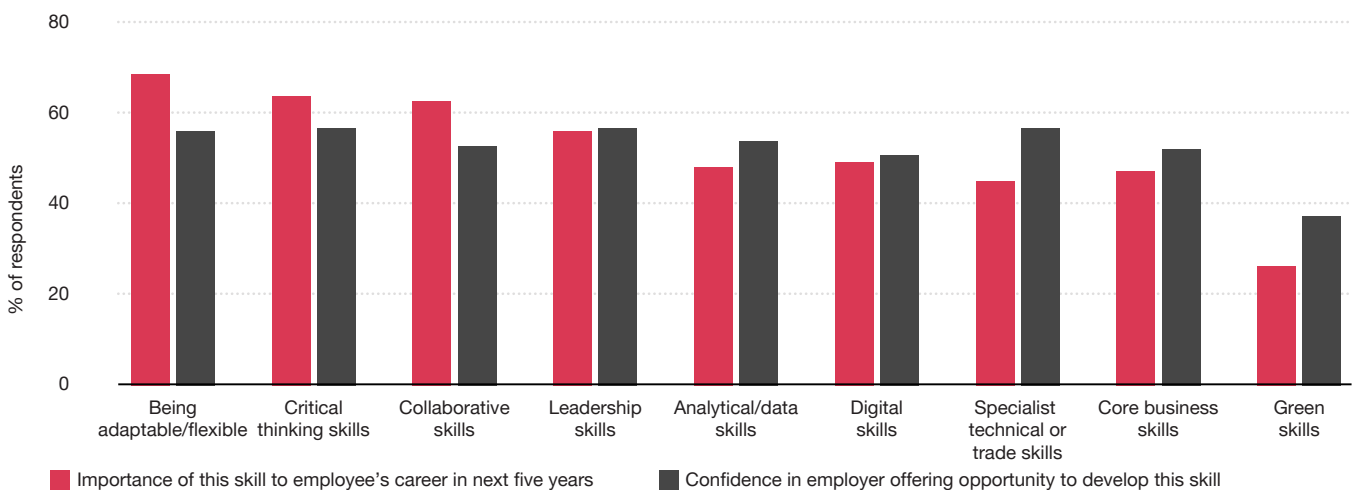
63%

report having skills outside of their qualifications and professional experience

46%

believe employers are overly focused on the narrow confines of job history

Figure 10: Importance of skills and confidence in meeting this requirement



Sources: PwC, UK Workforce Hopes and Fears Survey 2023

31. <https://www.pwc.co.uk/services/human-resource-services/insights/uk-hopes-and-fears-survey>

Chief executives interviewed as part of our future of local government workforce research report the negative impact of remote working for training and developing parts of the workforce who are early in their careers. Whilst local government as a sector has embraced hybrid working opportunities where roles allow, the soft communication and teamwork skills which are often learnt via a face to face environment are put at risk for future generations if hybrid and remote working is not enabled in a managed way that still accommodates for on-the-job upskilling of new joiners.

The need to improve workforce planning practices, local authorities involved within this research commented on the struggle with a lack of local levers to address skills gaps. Much of the funding and policy setting is currently held at a national level which makes it very challenging for county councils to influence funding decisions at a local level to address any skills gaps and shortages in the short and medium term.

Chief executives interviewed during this research highlighted a lack of talent available in the market. Whilst not unique to the sector, the implications of capacity and capability gaps leads to constraints to achieving progress, especially where local authorities are increasingly stretched to perform more functions as mandated by central government.

Councils have always shown resilience in adapting to the challenge of new demands, resource constraints need addressing for future sustainability. The concept of alternative delivery models is something many organisations are starting to explore, to help fulfil roles and functions they do not possess in-house. These organisations have also found it to be greater value-for-money for the functions where an

alternative delivery model is pursued. Whilst this concept wouldn't be appropriate for all local government services, there are many where this approach would be effective. Some local authorities are already starting to pursue this and our research anticipates a future trend expanding as local authorities continue to struggle with recruitment and skills and capability gaps in certain functions.

Buckinghamshire Council's Talent Academy

Buckinghamshire's Talent Academy is a programme of opportunities available to support attraction, personal development, and career pathways across the Council. It provides a distinctive proposition for both existing and future employees and helps to attract and retain talent through a 'grow your own' workforce approach. The Talent Academy is open to everyone in the organisation and provides a foundation for Buckinghamshire to address the following workforce challenges:

- Growing their own workforce, especially in areas of skills shortfall
- Attracting and retaining talent
- Supporting personal, professional, and managerial development
- Providing career pathways – including apprenticeships
- Supporting workforce and succession planning



What did the workforce survey tell us?

Our workforce survey found four in ten (42%) of respondents believe they will receive sufficient training to future proof their skills which shows a degree of confidence within the sector, although highlights more needs to be done.

Table 8: Do you believe you will receive sufficient training for your employer to futureproof your skills? Please select the answer you most agree with.

Answer Choices	Responses
Yes	42%
No	26%
Unsure	31%

Source: PwC and CCN Workforce Survey

When asked about increased use of technology and automation in the sector, as shown in table four on page 10, seven in ten (77%) of survey respondents believe technology and automation will positively impact their local government careers, showing the workforce is ready to embrace the technological innovations available to support the work of local government.

Cornwall Council: Digital Apprentices

As a small part of their Digital Futures Programme, Cornwall Council champions the use of apprentices and celebrates the past apprenticeships who now hold senior roles in the organisation. As the pace of change increases and the use of digital becomes a skill required in all services, Cornwall piloted a new approach to apprenticeships. By creating a cohort of apprentices that would undertake a range of placements over their two years, they hope to introduce digital apprenticeships to a broad range of council services and also act as catalysts for change, sharing their own deepening digital skills with a broad range of colleagues. This dynamic approach has brought real flexibility to how the digital transformation agenda is supported in the Council and has acted as a catalyst for building the workforce of the future.



Exploring opportunities and solutions for the sector

The themes explored throughout this report have helped to identify a number of areas to alleviate some of the workforce pressures experienced by the sector and build on areas of good practice. The sector has developed a strong reputation for co-designing service change and now needs to focus on co-designing workforce change.

We have found areas of opportunity for the sector to harness collectively, as well as areas where a more localised approach will be most appropriate. In addition, partnership working, which already exists to varying extents within the sector, will undoubtedly remain and increase in importance for service delivery, therefore bringing another consideration of wider workforce opportunities beyond local government. The opportunities and solutions presented within the following sections will be described with reference to the following layers:

Derbyshire County Council: Showcasing alternative recruitment methods to appeal to a broader candidate market

Derbyshire County Council (DCC) recently ran an interactive recruitment campaign for their Resources & Waste Team. This involved creating a microsite alongside social media pages to highlight key information about the service area. Staff testimonials and the benefits of working for DCC were also featured on the webpages. A promotion video and Q&A drop-in webinar sessions were also offered to prospective candidates. The microsite gained 611 page views, and the webinars received strong attendance. As a result of the campaign, DCC received 106 applications for six positions, with 31 candidates shortlisted.

- Collective and sector-wide opportunities
- Localised opportunities
- Partnership opportunities beyond local government



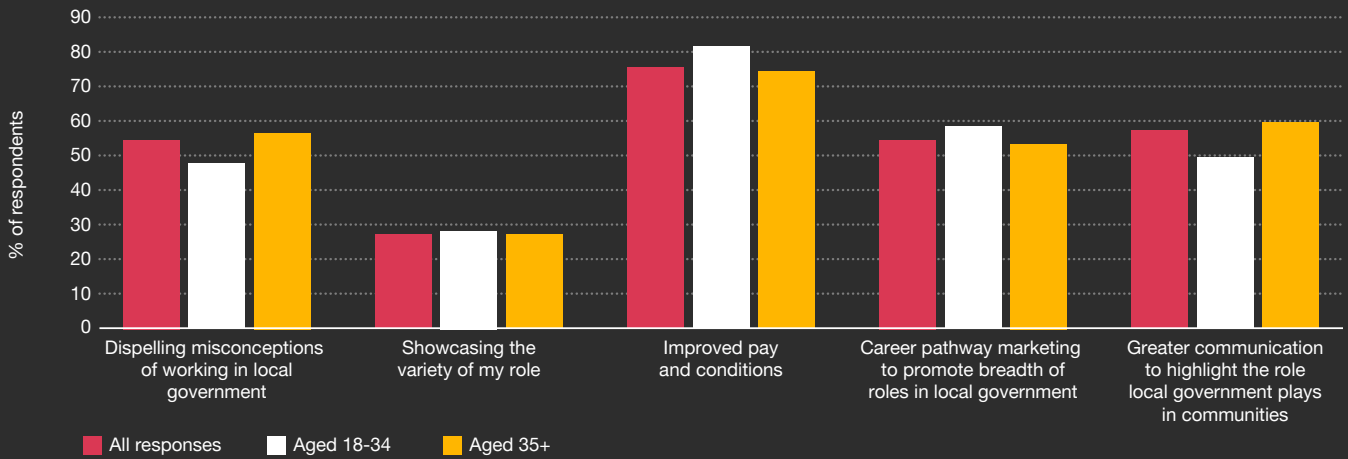
1: Harnessing the values-driven workforce through positive branding of local government supported by the wider public sector

What are we proposing?

- A sector-wide effort to collectively promote the local government brand and impact
- A sector-wide effort to promote careers in local government to younger generations
- Individual local authority branding campaigns to proactively showcase the work of local government in local communities

Local government has a values-driven workforce and the services provided touch the lives of all residents. Having a strong brand for local government can help address the recruitment pressures experienced by the sector, as well as help with future-proofing the local government workforce by attracting the number of future recruits needed.

Figure 11: What do you think needs to be done to improve the way local government is perceived as an employer?



Sources: PwC, UK Workforce Hopes and Fears Survey 2023

As a sector, local government needs to take action at scale to recruit the numbers of people at an earlier stage in their career required to make the future workforce sustainable. Younger generations are increasingly concerned about making a positive impact on society and therefore want to work for an employer who genuinely reflects these values. Local government has the opportunity to make significant recruitment gains against competition if its values and purpose can be clearly articulated and authentically promoted to the next generation workforce audience. This is supported by our survey results, with over half (56%) of respondents citing the need to improve communications to highlight the role local government plays in communities. Reflecting this need, the LGA are already seeking to address this through the development of a national recruitment campaign.

At a local level, the values and sense of purpose possessed by the workforce needs to be fully harnessed as part of a brand strategy to showcase authentic and varied examples of individuals making a difference. The successful East Sussex County Council ‘We Choose East Sussex’ is an example of how this could work. This is supported by our workforce survey findings, with over half (54%) of respondents agreeing action needs to be taken to dispel misconceptions of working in local government. The need for local authorities to show how an individual’s sense of purpose and values can align to a career in the sector

will become increasingly important for competitive advantage within the labour market as councils seek to recruit future generations to the sector.

The sector-wide approach to promoting career opportunities available within local government needs to be showcased to the next generation of workforce early. Local governments, with their statutory duties for schools, have the unique opportunity to harness these relationships and engage with young people, at both primary and secondary school levels, highlighting the breadth of opportunity through focus on values and purpose to bring greater appeal to the future workforce.

Beyond schools, local authorities have the opportunity to target the university student talent pool within their areas, showcasing the range of opportunity on offer through a career in local government. This is currently a missed opportunity that local government as a sector needs to take advantage of in a way that the case study from Lancashire County Council has started to harness through its Talent Acquisition team’s attendance at university careers fairs.

2: Enhancing the sector offer by addressing career development cycles

What are we proposing?

- **A sector-wide effort managed at a local level to promote the wider employment offer, beyond pay, a potential workforce**
- **An enhanced offer to provide a career development cycles for employees who wish to gain breadth of experience in their local government careers**
- **Career development cycles in partnership with organisations beyond the relevant council to assist with skills development and address capacity, diversity and productivity gaps**

Developing and retaining the existing and future workforce is vital for all organisations, including local government. For local government specifically, our survey found that 54% of respondents felt career pathway marketing needs to improve, which is an area of opportunity for the entire sector.

To implement this at a **local level**, the sector should consider ways individual local authorities can promote and enhance its wider employment offer to the workforce. This should include promoting what individuals can expect, above and beyond their pay cheque, when they work in local government, including the flexible working offer and other non-financial benefits valued by the workforce.

By including a specific commitment to career development and career pathway opportunities for all employees, this will help showcase the breadth of opportunity for individuals who may wish to pursue careers in different areas of the council during their career. Promoting career development cycles through the wider employment offer is an age and experience agnostic opportunity which will act to reduce the risk of losing talented members of the workforce when they reach a ceiling in their development due to lack of career progression opportunities. This was flagged through our engagement with early careers graduate and apprentices as a key concern. Whilst local authorities who follow structured graduate schemes such as NDGP gain a breadth of experience in multiple departments, this offer is not continued once they leave the scheme.

For an **individual local authority** approach, we believe career development cycles should extend beyond structured graduates schemes. By promoting and encouraging building experience via alternative pathways, this will bring benefit for a greater pool of employees beyond those on structured graduate schemes and encourage employees to broaden their experiences, which will help strengthen in-house capabilities. It will also act as a mechanism to help address skills shortages and short-term requirements within a particular area of the organisation. This opportunity also supports the flexibility a large majority of respondents to our survey cited as important to them.

Taking this a step further, our research has highlighted that the workforce challenges experienced by local government are not unique and span across the public, private and third sectors to varying degrees. There is therefore the opportunity for a **partnership approach** to explore career development cycles beyond local government by taking a geographical approach to workforce planning within a local authority footprint area to develop career pathway opportunities in partnership with other organisations.

This opportunity will bring greater diversity and opportunities for a wider audience of employees, whilst supporting the workforce needs of the wider geography. It also will give local authorities and the partnering organisations access to a greater pool of talent for agreed time periods, which they would otherwise not have access to. Whilst we recognised not all roles will be suitable for such an approach, we believe cross-organisation career pathway mapping will bring great opportunity for the wider local economy and support scalable workforce skills growth within a local authority footprint.

Local authorities will need to overhaul pay frameworks, performance management and career pathways to reflect the talent landscape. Traditional progression models and “one size fits all” pay structures will not work as the talent demands and the market pressures require local authorities to get more creative to hold onto and attract talent.

3. A refreshed and refined approach to skills and strategic workforce planning

What are we proposing?

- **Skills devolution to local authorities, to provide greater influence in addressing skills gaps and shortages**
- **A review of workforce skills and capabilities at an individual local authority level to strengthen strategic workforce planning practices and join up across the public sector**
- **Identify a core set of future skills and capabilities for the sector**

Identifying the future skills required within local government will help to refresh the approach taken to strategic workforce planning by individual local authorities, and is an area of opportunity for the sector to address skills gaps and shortages. Our research has found one of the reasons this has been so challenging, for the sector to effectively address to date, is due to restricted influence of the skills policy and delivery at a local level. If local authorities are given greater powers through devolution then the sector will have the greater influence and, working in greater partnership with FE colleges and other providers, will be better able to target activity and resources.

The devolution of skills funding as part of the current Government's 'devolution deal' programme is welcome. The devolution framework provides for the devolution of Adult Education functions and the core Adult Education Budget to local authorities, as well as allowing them input into Local Skills Improvement Plans (LSIPs).

But Government needs to go further and faster to allow all local authorities the ability to influence local skills provision to support strategic workforce planning through the devolution deal process.

For local government - and the wider public sector in a particular place - to benefit from greater devolutions of skills policy and resources, it is essential that councils have a full view of the current workforce skills and capabilities, which is not always the case at present. Creating this more holistic view will enable data-driven decisions to address any gaps identified and ensure workforce planning is more sustainable in the longer term. Given the pressures on costs and productivity, authorities will find there will be savings from thinking differently about the shape of the workforce as technology hollows out activities. But this requires real planning and changing recruitment and learning approaches.

Creating a single view of the organisation's skills and capabilities across the entire workforce brings opportunity to help any organisation address its workforce challenges. For local government specifically, above the much needed skills devolution requirement, gaining a comprehensive insight into this data will enable current and future skills gaps to be identified and acted upon.

Equally, there may be instances where existing employees may possess the transferable skills for some of a local authority's hard-to-recruit roles, which may open up the opportunity for flexible deployment to fill these gaps.

In addition to the specific skills requirements at an individual local authority level, which will vary depending on the need of the individual local authority, our research has identified a set of core skills and capabilities for the collective sector to consider for their future workforces:

- **Data and Analytics.** Historically data and analytics capability has been held within specific teams and functions within local authorities. Looking to the future, we believe all employees should be able to perform their roles with core data and analytical skills to help aid problem solving and decision making
- **Critical thinking.** Building on the data and analytical core skill requirement, we believe critical thinking is an essential skill for all local government employees that will become of increasing importance in the future as local authorities continue to be required to 'do more with less'. Critical thinking across the workforce will help improve outcomes and preserve local government service delivery and is also a necessary human skill as the use of technology and AI increases across the sector
- **Digital acumen and AI literacy.** To successfully adapt to technological innovations and optimise the utility of AI to improve public services at a local level, the workforce must have strong digital acumen and core AI literacy to lead and support the development of the technology-enabled future of work. Cornwall Council has already started to strengthen digital transformation through their digital apprenticeship pilot, which other local authorities may choose to learn from and build upon
- **Discipline of flexibility in new and hybrid ways of working.** Recent flexible and hybrid working trends are set to remain established in the sector, which is supported by the results of our workforce survey as of key value to employees. 'Soft skills' to enable agile and flexible working practices are essential for new ways of working to be successful and sustainable. Being adept in coaching and developing the workforce in this context is essential
- **Stakeholder engagement.** Engaging with local communities, as well as the ability to work effectively in partnership with key stakeholders, is critical to successfully delivering better outcomes. The ability to manage projects which involve multiple stakeholders, their specific needs and decision making pathways to support effective service delivery is an essential skill which the local government workforce will benefit from.



4. Leadership capabilities to drive forward change

What are we proposing?

- **Core leadership capabilities are embedded across all local authority leadership teams**
- **Identification and development of a future leadership pipeline**

This research has acknowledged the strain upon **individual local government leadership teams across the sector**, who continue to navigate their local authorities through challenges and respond to increasing demands, under significant pressure. Greater public scrutiny of central and local government has contributed to leadership challenges across the public sector and, more recently, shortages in local government where strong leadership is vital.

The behavioural and organisation culture shift required within individual local authorities across the sector to refocus and embed the required workforce changes and ways of working is significant. The need for strong leadership, for the current and future workforce, is essential to drive forward the required changes. If building sustainable, strong leadership is overlooked then it risks not having the capabilities for innovation.

Whilst leadership requirements will vary across organisations, core leadership capabilities to drive forward the required change and transformation for the sector must be acknowledged and developed for future leadership within the sector.

The LGA and Solace have recently presented a first Local Government Chief Executive's Development Framework and Hub²⁹, which sets out the core foundations that underpin the role of a local government chief executives. This is intended to provide new chief executives with the training and standards required to successfully perform in their roles.

To complement this work, it is important key leadership capabilities are developed and strengthened in order to be able to lead their respective local authorities through change and innovation. In addition to the capabilities training provided by the LGA and Solace framework and hub, the need for agility, resilience, strong communication, constantly evolving technical ability and a transformation mindset will be vital. Whilst it is acknowledged that the majority of current local government leadership teams possess these capabilities, balancing self development with the demands of their current roles should not be overlooked, nor should investment in training and skills development of an identified pipeline of future leaders.

32. <https://www.local.gov.uk/local-government-chief-executives-development-hub>

5. An innovative approach to future workforce models

What are we proposing?

- **A rethink of current workforce models to bring greater long term sustainability, productivity and value for money**
- **Greater consideration of how automation and AI can positively impact future workforce models**
- **Alternative workforce models implemented at an individual local authority to innovate service delivery**

As local authority budgets continue to diminish, alongside managing the additional pressures of greater demand for services, this research has highlighted a clear opportunity to rethink the current outdated workforce models local authorities historically recruit to. Looking to the future, there are more innovative ways **individual local authorities** can build a sustainable future workforce if the sector is prepared to rethink their current workforce models to consider a broader approach to strategic workforce planning to bring greater long-term value for money.

This can all be achieved whilst ensuring the required skills and capabilities are effectively resourced in a way that is sustainable for service delivery, as well as help to successfully address the pressures experienced with particular hard-to-recruit roles, which our research has found is a continued recruitment struggle for individual local authorities to overcome.

Taking a refreshed approach to skills, capabilities and workforce planning and gaining a single view of the organisation's current state will help to build the most appropriate future workforce model, based on local need.

A key part of taking a more innovative and informed approach to future workforce models will require an individual local authority to take a view as to which of their organisation's required capabilities will be human-led, and which could benefit from being tech-powered in the future. After these decisions have been made, the most appropriate alternative delivery model can be determined for a particular local authority, down to a service area level.

Possible alternative models of delivery include:

- **Partnership agreements.** A flexible workforce model involving greater partnership working arrangements with wider organisations to fulfil future service delivery requirements, with one of the organisations acting as the 'host' for what is effectively a shared service arrangement. Robust partnership agreements for the workforces of all partners would be essential to the success of this model
- **Commissioning.** Considering which capabilities and services are essential to be provided by an internal workforce and which may have opportunity for external support in the short to medium term
- **Managed services.** Where services are wholly provided by another entity
- **Combined workforce with other parts of the public sector.** Creating workforce and service plans across more than one public sector organisation. Joint roles are fairly common – especially across health and social care services but there is an opportunity to deliver this at a greater scale

Hertfordshire County Council: "Why can't the people we support choose to take the risks that anyone else would?"

With negative press on working in social care still impacting the recruitment market in the later stages of the pandemic, Hertfordshire County Council took a brave and creative approach in launching their 'Risk is Good' recruitment campaign to attract social work and social care staff. From mid-2021 to late 2022, the campaign sought to inspire both those with and without social care experience to join the sector and become an integral part of enabling service users. The theme of the campaign revolved around the idea that everybody in society should be able to take all of the risks that anybody else has the freedom to take. The campaign was a great success, directly yielding 345 appointments into social care roles, a 178% increase on the previous year. The campaign also won two awards at the Recruitment Marketing Awards as well as the Highly Commended Award at the PPMA Awards 2023.

Call to action

The issues explored within this report demonstrate the need to rethink traditional workforce approaches to build a sustainable future model. The three areas set out below are the actions required to make this happen.



Collective, sector-wide

A call for greater powers for counties to influence the skills agenda at a local level. Greater devolution to county and unitary councils is essential to provide local authorities with a greater link to the Further Education and Higher Education sectors within their geographies. This report has found that county and unitary authorities experience the challenge of a lack of local levers within the skills agenda, thereby making it challenging to influence skills gaps within the local economy as the funding and decision making doesn't align to local government. Providing local government as a sector with greater powers and a voice in the skills agenda will enable skills gaps to be identified and acted upon, which also has positive implications for local authority workforces where specific skills gaps are seen, for example technical skills areas.

A cohesive, sector-wide approach to local government branding.

Agreeing a sector-wide brand campaign for local government, which can then be tailored to meet the needs at a local level will raise the profile of local government as an employer, thereby attracting future talent to the sector by showcasing the breadth of opportunities. Taking this approach will also act to address the 'hard to recruit' roles local government has continued to struggle to resolve to date.

Localised opportunities

Proactive, early engagement with the next generation.

This report has highlighted the unique position of local government, with its breadth of service areas meaning there are endless possibilities for future careers. To fully harness this strength and attract the next generation local government workforce, local authorities must better utilise their relationships with local education settings; schools, colleges and universities to highlight the breadth of career opportunities in local government. This proactive approach will lead to a better understanding of local government services and careers for younger generations who are considering their future prospects, encouraging greater numbers of future talent to the sector.

Enhancing the employment offer through greater investment in career pathway opportunities.

Local authorities should build on the flexibility our research has found is valued by the workforce by offering and promoting greater career pathway opportunities by way of retaining and upskilling talent.

Taking a truly innovative approach to future workforce models.

Local authority leadership teams should be bold and brave in seeking more innovative workforce models for service delivery, to truly explore achieving the skills and capabilities required for sustainable service delivery and ensure longer-term value for money to preserve services which our research has found to be in increasing demand.

Partnership opportunities beyond local government

Developing career pathway opportunities through partnership across sectors.

Local government has a key role in placeshaping. This report has highlighted a number of workforce issues that impact all organisations, not just local authorities. Given their role as a place-based convener, local authorities should lead the way by approaching organisations to jointly create meaningful opportunities for respective workforces, whilst responding to the unique challenges each individual organisation faces.

It is imperative that the local government sector acts now with the changes required to secure its workforce of the future to ensure service delivery remains protected and fit to meet the future needs of society.



Appendix

Methodology and approach

To inform the research approach, opportunities and recommended solutions set out in this report, a comprehensive engagement programme has taken place with CCN member authorities. This included regular Steering Group meetings with nominated CCN member chief executives, 1:1s with county authority chief executives and/or HR Directors, a focus group with HR directors and engagement and focus group discussions with nominated individuals early in their local government careers. In addition, desktop research was undertaken as referenced throughout the report.

Survey approach

The survey was developed in consultation with the Steering Group. The core survey questions were designed around four agreed themes, as per the format of this report.

Theme 1

Purpose

Why people choose to work and stay in local government

Theme 2

Values

Understanding conditions for success

Theme 3

Brand

Understanding the impact of sector perceptions

Theme 4

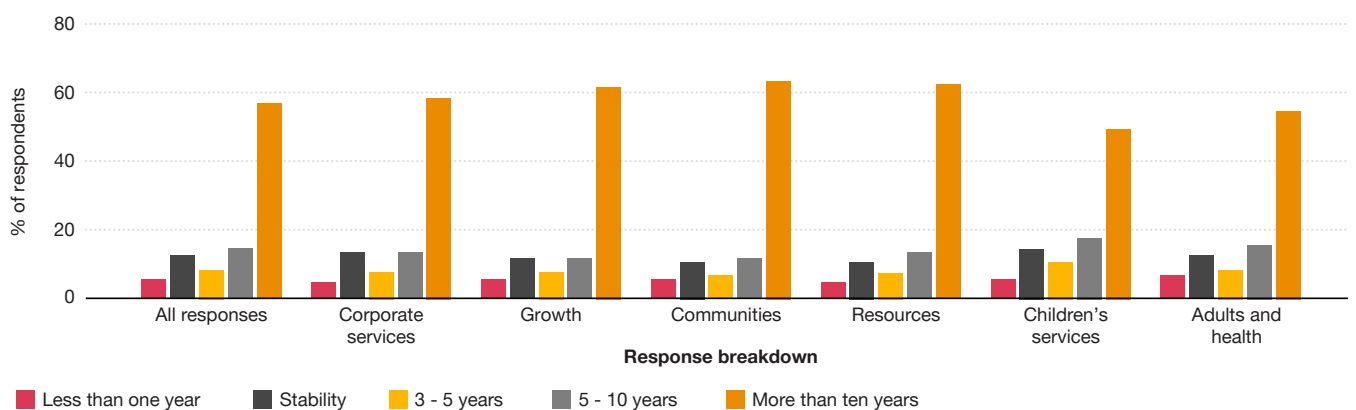
Skills and capabilities

Identifying future learning and development requirements

The survey was distributed to CCN member authorities via the chief executive offices for dissemination to their wider workforces and was live between 17 July and 8 September 2023. The survey received a total of 6119 responses, of whom:

- The vast majority of respondents have worked in local government for more than ten years
- 52.8% of respondents were 'frontline service delivery' officers
- 14.58% of respondents were aged 34 and under, 82.56% of respondents were over 35 years of age³⁰
- Over 69% of respondents were female

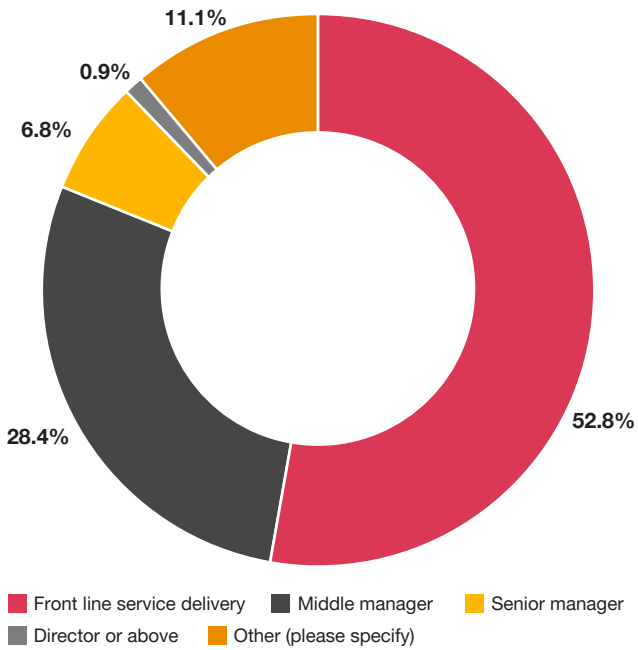
Figure 12: How long have you worked in local government for?



Sources: PwC and CCN Workforce Survey

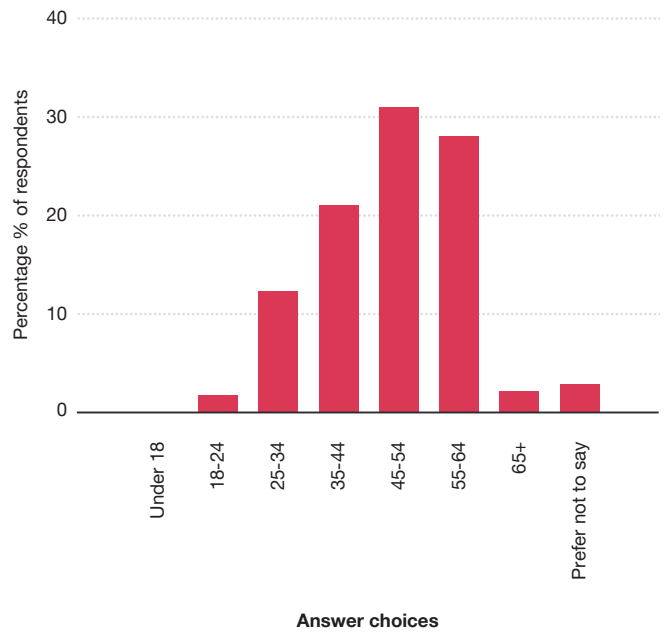
33. *2.87% of respondents answered 'prefer not to say'

Figure 13: How would you describe your position in your organisation



Sources: PwC and CCN Workforce Survey

Figure 14: Which of these age ranges do you fit into?



Sources: PwC and CCN Workforce Survey

Key contributors

Paul Deegan

Partner - Local Public Services and Health Industries
paul.deegan@pwc.com
+44 (0)7903 720 714

Emily Thomas

Manager - Local Public Services
emily.m.thomas@pwc.com
+44 (0)7483 320 121

Erica Ballmann

Director - Local Public Services
erica.ballmann@pwc.com
+44 (0)7903 164 784

Ben Pykett

Partner - Local Public Services
ben.pykett@pwc.com
+44 (0)7841 786 900

Simon Edwards

Chief Executive
simon.edwards@local.gov.uk
+44 (0)7920 507 820

James Maker

Director of Policy and Communications
james.maker2@local.gov.uk
+44 (0)7815 534 071

Alastair Woods

Partner - Workforce and Operations
alastair.woods@pwc.com

About CCN

The County Councils Network (CCN) is the national voice for England's counties. It represents 23 county councils and 13 county unitary authorities. Collectively, they represent 25 million people, or 47% of the country's population. For more information visit www.countycouncilsnetwork.org.uk.

pwc.co.uk

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2024 PricewaterhouseCoopers LLP. All rights reserved. 'PwC' refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

RITM14260891