

MEMBERSHIP OF WEST MIDLANDS

EMPLOYERS

Leader of the Council

Date:	26 March 2024
Agenda Item:	N/A
Contact Officer:	Kerry Dove
Tel Number:	01543 308068
Email:	kerry.dove@lichfielddc.gov.uk
Key Decision?	NO
Local Ward Members	N/A



Lichfield
District Council

CABINET MEMBER DECISION REPORT

1. Executive Summary

- 1.1 Consideration has been given to the Council's membership of West Midlands Employers in the context of the Council's pioneering operating model, implementation of the talent acquisition model of recruitment, the use of the services currently provided, likely future needs and requirements and the cost of membership.
- 1.2 It is proposed that the process of terminating membership be initiated by 31 March 2024, enabling membership to be terminated on 31 March 2025.

2. Recommendations

- 2.1 That West Midlands Employers be notified of the Council's intention to terminate its membership.
- 2.2 That the process of termination together with the implications, as set out in the report, be noted.
- 2.3 That the final termination be subject to the Leader of the Council reviewing the statement of liabilities once prepared and submitted by West Midlands Employers and any costs related to the liabilities being within Approved Budgets.

3. Background

- 3.1 West Midlands Employers (WME) is the Regional Employers Organisation in the West Midlands. It is a not-for-profit organisation collectively owned by 32 councils and membership is a contractual commitment under the WME Constitution.
- 3.2 WME provides support and advice on human resources, leadership, management and workforce development matters. It provides a link to the National Employers Federation which forms part of the National Joint Council (NJC) and Joint National Council (JNC). These lobby central government on local government staffing matters, undertake annual pay bargaining and determine national terms and conditions.
- 3.3 Membership also provides discounted access to services such as WMJobs, some shared delivery initiatives (e.g. recruitment portal, coaching pool) and various events.

- 3.4 The Council’s ongoing membership has been reviewed in the light of its pioneering operating model, current usage of the services provided, the implementation of the talent acquisition model, future needs and requirements and the cost of membership.
- 3.5 The Council has identified its key requirements to be (i) high quality legal and procedural advice on human resource and employment issues, (ii) a service responsive to needs in a fast moving entrepreneurial organisation and (iii) value for money.
- 3.6 After careful consideration of the above criteria it has been concluded, and therefore recommended, that the Council should look to terminate its membership.
- 3.7 The shareholder subscription contribution runs from 1 April to 31 March each year. The District Council subscription for 2024-25 is £10,606:
- £7,828 regional employers organisation subscription and £2,778 for a workforce priorities fund
 - £2,778 to the workforce priorities fund (invested to tackle ‘workforce challenges facing all councils’).
- 3.8 A Council is required to serve 12 months’ notice to terminate its membership effective at the end of a financial year (i.e. notice would need to be served by 31 March 2024 to terminate on 31 March 2025).
- 3.9 The WME constitution also requires that any authority terminating membership must meet its share of WME liabilities and the cost of establishing such liability values.
- 3.10 A Termination Notice triggers the start of an exit process. This includes the production of a statement of liabilities. The statement will be submitted at the earliest opportunity so the Council can consider whether to proceed with the exit or withdraw the Notice.
- 3.11 Councils that are not members of WME can still access many of its services, but at a higher rate.
- 3.12 Central to the review is the Councils commitment to innovation which can involve challenging existing arrangements and implementing alternative solutions.
- 3.13 The Council will:
- Procure alternative HR/Legal advice to interpret and apply employment law
 - Procure access to/ability to carry out ad-hoc Hay evaluations, investigations, mediation, benchmarking, coaching etc.
 - Consider future recruitment portal provision (the current contract is for 2024-27)
 - Secure a route to the NJC/JNC to obtain updates on national pay bargaining
- 3.14 If the process of withdrawing from the organisation does not commence by 31 March 2024, the earliest termination date will be 31 March 2026.

Alternative options	1. The Council could continue as a Shareholder Member of West Midlands Employers.
Consultation	1. The Chair of Overview & Scrutiny to be advised of the proposed decision.
Financial implications	1. The shareholder subscription contribution runs from 1 April to 31 March each year. The subscription for 2024-25 is £10,606. If membership is terminated the Council will not be liable for the annual subscription fee from 2025-26

	<p>onwards.</p> <ol style="list-style-type: none"> The service agreement for the Talent Acquisition Platform Tribe Pad and Jobs Board service is based on 'member' fees for 2024-27, on leaving WME fees for the service would increase to the non-member rate for the remainder of the contract (i.e. 2025-27). Councils not in membership of WME can still access many of its services but pay a higher rate (generally at least 20% more). Any authority terminating membership meet its share of WME liabilities and the cost of establishing such liability values. WME will establish and submit a statement of liabilities for consideration. The Council can then decide whether to (i) proceed or (ii) withdraw the notice of termination.
--	---

Approved by Section 151 Officer	Yes
---------------------------------	-----

Legal implications	<ol style="list-style-type: none"> The District Council will source employment advice as appropriate.
--------------------	--

Approved by Monitoring Officer	Yes
--------------------------------	-----

Contribution to the delivery of the strategic plan	<ol style="list-style-type: none"> The Council is committed to innovation which can involve challenging existing arrangements and implementing alternative solutions.
--	--

Equality, diversity and human rights implications	<ol style="list-style-type: none"> The proposal should not have any equality, diversity and human rights implications given that advice on these issues will be obtained whenever required/appropriate.
---	--

EIA logged by Equalities Officer	Yes/no* Equalities Officer confirmed not required.
----------------------------------	---

Crime & safety Issues	<ol style="list-style-type: none"> It is not considered that there will be an impact on our duty to prevent crime and disorder within the District.
-----------------------	--

Data assessment	<ol style="list-style-type: none">
-----------------	--

Environmental impact (including climate change and biodiversity)	<ol style="list-style-type: none"> It is not considered that there will be an environmental impact from the proposed decision.
--	---

GDPR / Privacy impact assessment	<ol style="list-style-type: none"> There are no direct GDPR implications.
----------------------------------	--

	Risk description & risk owner	Original score	How we manage it	New score (RYG)
--	-------------------------------	----------------	------------------	-----------------

		(RYG)		
A	The costs of exiting the organisation outweigh the cost of remaining.	Likelihood: Yellow Impact: Yellow Severity of Risk: yellow	Consider the statement of liabilities when produced and decide whether to proceed or not.	Likelihood: Yellow Impact: Green Severity of Risk: Green
B	Impact on some of the services currently accessed.	Likelihood: Red Impact: Yellow Severity of Risk: Yellow	Service areas to review options for future service provision during 2024-2025.	Likelihood: Yellow Impact: Yellow Severity of Risk: Green
C	The cost of exit related to the Council's share of liabilities cannot be accommodated within Approved Budgets	Likelihood: Yellow Impact: Yellow Severity of Risk: yellow	A supplementary budget would require the approval of Full Council. Consideration would be given as to whether to proceed.	Likelihood: Yellow Impact: Yellow Severity of Risk: Green

Background documents	N/A
----------------------	-----

Relevant web links	Any links for background information which may be useful to understand the context of the report
--------------------	--