



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 08 MAY 2018

SUBJECT: WORKFORCE PLANNING: PROGRESS ON 2017 PLAN AND PROPOSED STRATEGY AND PLAN FOR 2018

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To update on the progress made against the actions set out in the 2017 Workforce Plan and to propose an updated Workforce Strategy and Plan for 2018.
- 1.2 This report is submitted to Committee in terms of Section III (B) (27) (c) of the Council's Administrative Scheme relating to the recruitment, training and development, health, safety and welfare policies and practices of the Council.

2. RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (i) notes the progress made against the actions in the 2017 Workforce Plan; and**
- (ii) approves the Workforce Strategy as set out in Appendix A and Plan for 2018 as set out in Appendix B.**

3. BACKGROUND

- 3.1 Workforce planning has developed in the Council since 2006 through the introduction of a framework to collate data and provide the basis for workforce analysis. The Council has reviewed its workforce plan annually since the first plan was produced in April 2008. The actions in the plan are aligned to the priorities in the Workforce Strategy, which reflects the wider priorities of the Council.
- 3.2 Workforce Planning aims to manage the workforce to meet the current and future demands of services. The Council's Workforce Strategy recognises that people are the key to delivering and improving council services and that it is important that our workforce is deployed, managed and developed effectively to support the Council's strategic and service priorities. For the past few years there has been a focus on:

- Transformation and Change
- Employee Engagement
- Leadership Development and Capacity

In 2017, recognising the specific difficulties the council was facing with regard to recruitment in a range of professional and specialist posts and the longer term issues of an ageing workforce, there was an additional focus on Recruitment and Skills Development in the workforce strategy and plan.

Progress on 2017 Workforce Plan

- 3.3 An update on progress is provided below. Where possible, planned outcomes are specific and measurable in order that performance can be monitored. It is important to note that while most of the actions have progressed to some degree during the year, the impact of acting up arrangements for senior management vacancies and the significant operational work involved in the major workforce change to realise budget savings for 2018/19 has reduced the pace of progress in some areas with an overall completion rate of approximately 65%. Outstanding actions are carried forward into the 2018 workforce plan and combined with the development work identified as necessary under each theme. It is, however, anticipated that there will be further significant operational work to support the next phase of budget savings proposals which will continue to impact on the resource available to progress some of the development actions and a prioritised approach may need to be taken.
- 3.4 Workforce Transformation and Change
- (i) Budget proposals for 2018/19 have been implemented and a planned reduction in headcount achieved through Transform.
 - (ii) There has been ongoing progress with the integration of Health and Social Care and lead officers have been assigned to the organisational development plan to drive progress during 2018/19.
- 3.5 Employee Engagement
- i) Good progress has been made against all of the planned headings. This includes improved survey results across the majority of services with an increase of 10 percentage points in response rate overall. During the year there was the introduction of a new engagement activity 'Back to the Floor' where senior managers have the opportunity to work alongside colleagues on the frontline of service provision. Other activities which were introduced in 2016 have now become embedded as mainstream activities including the employee suggestion scheme (Bright Ideas) and Listening meetings for supervisory level staff as well as senior managers.

In addition the wide range of existing employee engagement activities continue to be well received (employee conference, service learning visits, the leadership forum, Chief Executive listening meetings).

- (ii) Considerable progress has also been made on the workforce culture project with focussed work and improvements becoming more established in services. Positive story telling from work within Direct Services supports progress with improved culture. This has included establishing regular team meetings, effective delivery of a tailored Employee Review and Development Process (ERDP) with support and training for supervisory staff. Results from the employee survey demonstrate significant progress in these areas and the focus for the future will be to embed the good practice.
- (iii) Training in the form of a blended programme of activity to support the implementation of Moray Management Methods is progressing. Workforce culture and employee engagement work has been brought together under one workstream.

3.6 Leadership Development and Capacity

- (i) Work is being undertaken to develop the council's provision for leadership development and capacity that is aligned to council priorities for the future.

3.7 Workforce/Employee Development

- (i) The Organisational Development service has now been in place for 18 months ensuring corporate training spend is linked to corporate priorities. A comprehensive overview of corporate annual training and development requirements is in place and a framework for prioritisation has been implemented. Additionally the service has accessed partnership training at a reduced cost and increased productivity e.g Scottish Vocational Qualifications (SVQs), Employee Development team support of culture work.
- (ii) There were challenges for some employee groups in completing annual appraisals and more time was afforded to manage the volume which resulted in an overall completion rate estimated at approximately 70% by the end of 2017/18. Most recent feedback from heads of service indicates a lesser rate of completion of appraisals being completed against the target of 90% by March 2018 and further work is being undertaken to identify if the response is due to limited completion or non- reporting.
- (iii) Flexible Working Development Fund – an application for funding to Moray Collegewas submitted and successful in securing a £10,000 training provision. The Flexible Workforce Development Fund is part of the Scottish Government's wider offer of training and support in response to the introduction of the UK Apprenticeship Levy and is delivered in partnership with colleges. This will further support the development of both frontline supervisors and managers.

3.8 Health and Well-Being

- (i) Performance on absence has improved since last year for local government staff and remained relatively static for teaching staff. The Council's position in comparison to other Scottish Councils has improved significantly for the local government workforce rising from 26 to 17 in the rank order. Absence for teachers has slightly declined with the rank order moving from 13 to 15. Both results place the Council mid-table. Efforts continue to manage cases in accordance with the Health and Work policy with any arising issues reported to the Personnel Forum and considered further by service management teams to identify any actions that may assist in managing absence levels.
- ii) Progress continues to be challenging in relation to planned health and safety actions due to the small team available to progress this work alongside routine monitoring and support for managers and unplanned work arising from incidents. Indications from accident reports and general observation are that while the culture is beginning to change and awareness of health and safety issues is improving, the number of health and safety incidents continues to require further targeted attention. The 2017 employee survey introduced a new section specifically on Health & Safety with encouraging responses in relation to the questions.

3.9 Workforce and Succession Planning

- (i) A corporate approach to apprenticeships has been approved with a staged programme of implementation and work is progressing against this. Work is also ongoing with support to service specific challenges such as development of the early years provision.

3.10 Recruitment and Retention

- (i) Initial work to ensure council services are well resourced has begun with specific support provided to Educational Services to help improve the supply of quality candidates into the Moray teaching workforce, focusing initially on improving the process for attracting and retaining newly qualified teachers (NQTs).

3.11 Reward and Recognition

- (i) Monitoring continues on the long term impact on the pay structure arising from the living wage; initial assessment of our current position has been undertaken, including monitoring national development work. Current and anticipated increases in the living wage continue to erode the lower end of the pay structure and more detailed modelling work is required.

3.12 Other Actions

- (i) Work is progressing in the areas identified within the employment policy framework and the policy work required has been completed for the end of this plan and was reported to committee in March 2018.

Planning for 2018 Workforce Plan and Strategy

- 3.11 The strategy has been reviewed in the light of the continuing difficult financial environment and potential impact on council services and it is proposed that the four main themes should be carried forward again. Where a number of items had been on hold for some time and were included in the 2017 plan, e.g. issues in relation to recruitment and retention and succession planning, resourcing pressures have meant that progress has been limited. As a result this work will remain in the plan for 2018.
- 3.12 Many areas of the workforce plan, which implements the strategy, roll on from year to year as developments and major pieces of work continue in similar areas (e.g. employee engagement, leadership, transformation and change). Therefore, the proposals for the 2018 plan show continuation and progress to the next stage of development. It is noted that workforce culture and employee engagement work will be amalgated into one workstream.
- 3.13 As noted in section 3.3, it is anticipated that there will be a significant impact from the budget on the workforce during 2018/19 and change and the management of the contraction and re-shaping of the Council workforce will be a significant theme for 2018 as services adapt for the future. In particular, work will continue in partnership with the NHS on the integration of health and social care.
- 3.14 As in previous years, in light of the anticipated workload and available resources, efforts have been made to contain developmental work. With regard to policy work, this will continue to be kept to a minimal level and the 5 year rolling programme of review of policies has been reviewed. Policies will continue to be reviewed if there is a legislative or other pressing issue to be addressed.
- 3.17 Based on the above, the proposed 2018 Workforce Strategy is attached at **Appendix A** and the draft workforce plan 2018 at **Appendix B**. The workforce strategy sets out the high level corporate issues and priorities to be addressed and the workforce plan provides more detail on the actions that will be taken to address these. The workforce plan is incorporated into the service plan for HR.

4. **SUMMARY OF IMPLICATIONS**

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)):** The contents of this report are in accordance with the priorities set out in the Corporate Plan 2018-23 and set out how we will make best use of our workforce and resources to support the Council to change to meet future challenges.
- (b) **Policy and Legal:** None
- (c) **Financial Implications:** There are no additional resource implications.
- (d) **Risk Implications:** The workforce strategy and plan are based on assessment of the issues and risks anticipated in relation to the council's workforce and identify actions to address these. The actions in the workforce plan have been prioritised and if necessary activity will be reduced on those actions ranked lowest. There has been an expansion of the priorities for the 2018 plan (e.g. 2018/19 Budget proposals) and it will be challenging for the HR service to deliver on all of the work identified and so there is a risk of slippage that could have an impact on services. Monitoring reports are submitted to the Personnel Forum and any issues and proposed remediation will be identified for consideration.
- (e) **Staffing Implications:** There are no staffing implications arising from this report. However, it will be stretching for the HR service to deliver the actions in the workforce plan and this will be monitored carefully.

As the Council prepares its financial plans and undertakes longer term planning, it is likely that specific workforce issues will emerge. Work will be undertaken as proposals are developed to identify the specific workforce issues and these will be managed through the well established change management and Transform processes. Account will also be taken of the whole council strategic management of these workforce issues as they emerge by involving the HR team in the planning of the required changes.

- (f) **Property:** There are no property implications arising from this report.
- (g) **Equalities:** Equality impact assessments are undertaken on each policy and the workforce implications of budget savings and change proposals.
- (h) **Consultations:** The Personnel Forum receives regular reports on the progress of the workforce plan and has been consulted on the preparation of the draft proposed. The trade unions also receive updates and were consulted on items that they would wish to include in the future plan. CMT/SMT have also been provided with background information and draft documents for consultation and direction and their views are incorporated into the proposals.

5. CONCLUSIONS

- 5.1 There has been some positive progress on the 2017 workforce plan, although workload has been challenging for the HR team. For 2018, it is anticipated that there will continue to be progress across the main elements of the workforce plan; additionally significant work will arise as a result of the budgetary challenges which will require support in achieving a reduction in headcount and development of our leadership capacity will also be driven forward . There are limited resources allocated to policy work and we need to ensure that this keeps pace with external developments.

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Background Papers:	Annual Workforce Report (statistics) on members' portal ¹ 2017 workforce plan progress and conclusions on members' portal
Ref:	p/mgt/reports/p&r/workforce planning Appendix A: 2018 Workforce Strategy (Draft) Appendix B: 2018 Workforce Plan (Draft)

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be made available once statistics validated following technical issues in establishing appropriate comparative data from the new HR-Payroll system.