

APPENDIX A**WORKFORCE DEVELOPMENT STRATEGY (2018)****Introduction**

The aim of this workforce development strategy is to support the council to achieve the skilled, motivated and flexible workforce needed to deliver efficient high quality services that will make a difference to the community of Moray.

People; their skills, capacity and commitment are the key to delivering and improving council services. As the challenges of long term financial austerity continue to impact on the provision of council services it is important that our workforce is deployed, managed and developed effectively to support the Council's strategic and service priorities. The council is committed to balancing the sensitive management of a reducing workforce with valuing and motivating the employees who remain.

Council services and employees will experience significant changes over the coming years as efforts are continued to reduce costs and meet increasing demand and expectations as efficiently as possible. The challenge is to actively engage employees in this change so that a culture of improvement is created through an empowered workforce that actively contributes to better sustainable services for the future.

This strategy has been developed using information gathered from departmental and service workforce planning activity, employee surveys, close collaboration with workforce representatives and partners within the community, under the overarching framework of statutory, legislative and best practice requirements.

Priorities for 2018/19

The Council must radically reform its services in order to meet the needs of Moray in an affordable and sustainable way. We are embarking on a programme of reform aimed at delivering a financially stable council, which is one of four priorities set out in the council's corporate plan. The other three priorities focus on education, economy and caring and healthy communities. As the Council progresses its medium to long term planning it is expected that financial and workforce resources will align more closely to its priorities and this will be taken account of in workforce planning as the detail emerges. The programme of work will be ambitious and will require a significant shift in resources to be achieved; inevitably this will require a reduction in some areas of public service activity and all of this will have an impact on the workforce.

The challenge of delivering services and meeting priority targets within a reducing budget is likely to be required for the foreseeable future. The council will review all areas of its services on a regular basis to ensure that resources

are and continue to be aligned to priorities and that appropriate shifts are made. This will result in significant and difficult implications for the Council's workforce, ranging from changes to ways of working to job losses. Moreover, this impact is unlikely to be evenly distributed and some services will experience a greater negative impact than others. Realigning the workforce and ensuring adaptability to meet the Council's future requirements will be the major focus for workforce management activities over a prolonged period of time. Preparatory work is already under way and potentially wide scale workforce changes are anticipated in 2019/20 and 2020/2021 and beyond.

While there will be change required, it is also important to effectively manage the workforce who will continue to deliver the vast majority of council business. Therefore, employee engagement and workforce culture will continue to be a key priority in this challenging environment. It is planned to continue to engage the workforce on the future of services to ensure the involvement of employees in these important considerations at a time when there is a pressing need for reduced spending.

The implementation of transformational change within the context of reform associated with the review and redesign of services has been a theme for a number of years and is now significantly embedded. However, further change and efficiency will be required which will mean the management of change will continue to be a focus. Management of change in a difficult financial environment will mean an engaged workforce and strong, consistent leadership are particularly important to the future of Council services.

Recruitment has become an increasingly pressing matter over recent years, with difficulties in relation to specialist and senior posts and particularly in relation to the recruitment of teaching staff. While this is a pattern repeated nationally and at least in part relates to a shortage of supply the situation is exacerbated by Moray's remote geography and the size and scale of some of our services. As a result, the Council will continue to identify ways to nurture and develop talent to meet future demand including implementing a corporate approach to apprenticeships. This is an element of the workforce plan that has received limited attention in recent years and work is being escalated to catch up and ensure we are as prepared as possible for the future.

The main workforce priorities for this plan are:

- Workforce Transformation and Change
- Employee Engagement
- Leadership Development and Capacity
- Recruitment and Skills Development

Elements and Objectives

- **Workforce Transformation and Change:** *manage the contraction and re-shaping of the Council workforce to achieve a sustainable skilled and motivated workforce for the future aligned to the Council's priorities.*

The requirement to make long-term reductions in budget will continue to impact on the Council's workforce. As the cumulative effect of annual savings builds, more fundamental review of what and how activities are undertaken is required in order to continue to reduce costs. It is already apparent that this is likely to impact on particular services more than others therefore the Council will continue the management of change through *Transform* to reshape the workforce. The intention is to achieve a reduction in the paybill and number of people employed and to minimise compulsory redundancies, providing security of employment as far as possible.

To address these issues we will:

- ◆ Continue to use the *Transform* approach (and relevant change management procedures for teaching staff) to manage workforce changes
 - ◆ Manage employee relations and consultation comprehensively and sensitively in relation to workforce change
 - ◆ Work in partnership to support the IJB on the integration of health and social care
- **Employee Culture and Engagement:** *continue to develop effective communication and engagement across the workforce to sustain and improve engagement in a challenging environment.*

We have defined employee engagement as the discretionary commitment and enthusiasm people give to the Council, their services and their colleagues, which means we can provide better services and that it matters to employees that the Council does well. In progressing our employee engagement programme, the Council wants to enable people to be the best they can be at work and recognises this can bring advantage in achieving efficient, high quality services.

The 2017 Employee Survey results demonstrated a continued improvement since the 2015 survey with a significant increase in response rates (31% to 42%) and an increase in the overall engagement index score from 70% to 73%. Encouragingly there were more positive views about workforce culture with levels of unacceptable behaviour or bullying showing a downward trend indicating that the underpinning issue of trust is improving. It will be important to continue the engagement and culture work which has been combined into one overall programme to embed the improvements shown into substantial culture change. Results for leadership and senior management are slightly below albeit very similar to those from 2015, with results for line management and supervision remaining more positive in general and show marginal increases since the last survey. The survey continued the theme of more varied results across services and the work on providing clarity of expectations regarding management tasks and behaviours will continue.

To improve employee engagement and enhance workforce culture we will continue to:

- ◆ Deliver the employee engagement programme to ensure it continues to provide for workforce engagement in the future design and review of council services associated with financial planning;
 - ◆ Review and refresh work to enhance people management activity, training and consistency
 - ◆ Work to embed actions to improve and promote a positive workforce culture and improve employee involvement and influence in the workplace.
- **Developing Leadership Capacity:** *prepare and develop current and future leaders to meet the demands of local government of the future to ensure the continuous improvement of services.*

Long term constraints on public spending continue to require innovative approaches to services with a focus on preventative spending through early proactive interventions. Partnership and joint working is increasingly important as part of this agenda to ensure that services respond to local needs in a cohesive manner.

During times of change, management and leadership skills and capacity are a key priority to enable the culture of the organisation to adapt and change to meet the challenges of changing service delivery particularly within the context of reduced budgets. 2017 employee survey results illustrate that while there has been some impact in terms of the improving consistency of management practices there remains scope for further improvement. To support the Council to focus on delivering results for customers and being more outcome-driven work will continue on rolling out training to support the Moray Management Methods (MMM) which are aimed at developing consistency of management practice across the organisation. The Leadership forum for senior managers will continue to develop to support corporate direction and provide a platform for strong leadership of the council and a versatile programme of leadership and management development activity will be designed to allow the council to maximise use of available funding and partnership working.

To develop leadership capacity we will:

- ◆ Implement a versatile leadership development programme that develops the skills and behaviours necessary for the political, corporate and strategic direction and leadership the council requires
 - ◆ Enhance management and supervisory training to improve consistency of and adherence to defined management standards and support the implementation of MMM and a more positive workforce culture.
- **Workforce/Employee Development:** *ensure that employees have the skills, competencies and experience required and are prepared to meet current and future requirements*

The workforce development section in the corporate plan sets out how the council needs to develop over the coming years in order to respond to demands and deliver the priorities set in the ten year plan. As this is reviewed by the Council workforce development requirements are reassessed. Taking account of the need for transformational change, the Organisational Development team has reviewed the design and delivery model for training across the council to ensure that the overall resource is effectively allocated and managed to meet council priorities.

It is recognised that during times of uncertainty and change employees need to be prepared for changes and the impact on jobs but also need to be supported to continue to deliver their current roles. Therefore, these themes will be addressed in the corporate training and development provided.

To address these issues we will:

- ◆ Regularly monitor the council training and development plan to ensure reflection of corporate and service priorities;
 - ◆ Provide training and development activities to meet the prioritised requirements as efficiently as possible.
 - ◆ Continue to develop the quality of the employee review experience, while ensuring that all employees have the opportunity to participate in a review process on at least an annual basis
- **Health and Well-being:** *pro-actively support the health and well-being of employees.*

Following an upward trend in absence since 2011, the most recent performance information (2016/17) shows a static position for teaching staff and an improved position for local government employees with Moray sitting mid table within the rank order of local authority benchmarking for both indicators. The main causes of absence in the Council remain consistent with the wider workforce with mental health and musculo-skeletal disorders continuing to be the main reasons for absence. Recommendations from recent national research into the effects of work on mental health are being considered within the context of the Council's current approach and any changes will be managed through the workforce culture work. The Council continues to take a low key approach to promoting health in the work place and will continue modest activities for 2016 to support the health and well-being of the workforce.

Analysis of our absence figures and trends enables targeted action to be taken in areas where absence is most problematic and this work will continue in 2017/18.

The Annual Health and Safety report identifies the need to continue to develop the safety culture of the council so that managers and employees are equipped and empowered to take responsibility for and give priority to health and safety. There continues to be an emphasis on re-invigorating and building awareness of our key health and safety systems, including involving the workforce as safety representatives and sharing experience and lessons learned. This has been built into the actions for health and safety.

To address these issues we will:

- ◆ Support the implementation of the Council's Health and Work policy to deliver ongoing improvements in absence levels
 - ◆ Incorporate nationally recognised recommendations where appropriate
 - ◆ Act together with employees and their representatives to improve workforce consultation and improvement
 - ◆ Manage risks well by implementing our health and safety system effectively
 - ◆ Share our success and learn from our experience of health and safety practice
- **Workforce and Succession Planning:** *address workforce issues in relation to demographic changes and skill shortages and develop strategies to address the consequences.*

The main issue in relation to workforce planning is the long term reduction and change to the workforce that is identified above. Therefore, while there may be specific issues in certain areas, these have been identified in workforce planning activity undertaken with services and will be taken forward at service level. The Council also plans to continue to use natural turnover in the workforce to manage downsizing over time. So far, this approach has been successful and with careful management it is expected this will contribute significantly to the planned reduction in employee numbers over a number of years.

The Education and Social Care service in developing the early years' provision is planning ahead for early years' workers and across all service areas there remain challenges in securing certain professional, expert and senior staff, including craft workers. The Council is supporting the development of the young workforce in Moray and opportunities to undertake work that supports both of these objectives is being considered.

The development of the young workforce is important both in relation to addressing future skills gaps within the Council workforce and for the growth of the Moray economy in terms of retaining and returning young people to the area and ensuring a strong foundation of appropriate skills in the community. The Council is in the initial stages of developing a corporate approach to increasing the number of apprentices, and, this work will be progressed with options to advance both these aspects.

To address these issues we will:

- continue the development of a corporate approach to apprenticeships and other schemes aimed at young workers
 - Continue to actively manage vacancies to prepare for future changes
 - Work with services on specific challenges (such as early years)
- **Recruitment and Retention:** *ensure that Council services are as well resourced as possible by making the Moray employment package as attractive as possible and deploying appropriate recruitment strategies.*

In 2014/15 analysis of recruitment patterns revealed that there were recruitment and retention difficulties in particular areas of the workforce. While there has been some limited change to this situation for certain posts as a result of the economic climate, for specialist public sector posts where there is little impact from the private sector employment market, there has been little noticeable change. There could be longer term solutions to recruitment difficulties such as providing development opportunities aimed at specific hard to recruit areas, possibly including enhancing the employment and training opportunities for young people in Moray. Difficulties in recruiting for the Care At Home service are likely to be exacerbated by the requirement for an early years' workforce, the candidate pool for which is likely to be similar.

There are recruitment issues associated with teaching posts, with particular issues in relation to certain secondary subjects and head teacher posts. While this is in part due to a national supply shortage, there is added complexity from the rural nature of Moray and our small schools, which attract lower salaries for promoted posts. Various measures to date have had limited impact and while a longer term strategy can be developed there is a need for immediate relief to the problem of providing teachers in our schools.

Following a period of limited work on recruitment issues, due to prioritisation of resources, options will be considered and prioritised for development along with service management. The presentation of the Council's employment package would also benefit from review and modernisation and while this has progressed slightly, this will also be undertaken as other work permits.

To address these issues we will:

- ◆ Consider recruitment and retention activities to promote employment opportunities and profile of Moray Council
- ◆ Establish clear pathways for support, training and experience for professional development for professional and specialist posts (grow your own)

Continue to work with Educational Services and Health and Social Care Moray to develop recruitment strategies for the improvement of Teacher recruitment and the social care and early years' workforce.

- **Reward and Recognition:** *have in place fair and competitive pay and conditions that are recognised as such and are free of bias.*

The Council has to monitor and sustain its pay arrangements and ensure that the overall employment package continues to be fair and free of bias. The Council's second Equal Pay Audit was undertaken in 2015 and no significant issues were identified for attention. The next audit will be completed in 2018.

Developments in the national pay strategy are impacting on local pay and grading arrangements for the SJC workforce. In particular there are issues associated with the living wage as it has increased at a rate above inflation each year which is now eroding some of the pay differentials established by job evaluation. It is likely that it will become necessary to consider the pay and grading structure.

Pay and conditions represent a significant spend for the Council and it is important to ensure that these are aligned to council priorities, reflect service demands and represent both good value for the employer and fair pay to the employees. In times of financial pressure terms and conditions will come under added scrutiny and may also be considered to offset costs from pressure on the pay structure should this become necessary.

To address these issues we will:

- ◆ Continue to monitor the long term impact on the pay structure arising from the living wage and other pay related issues
- ◆ Ensure that jobs are well designed and defined to meet future service needs

Plans

The delivery of this strategy is set out in more detail in the Corporate Workforce Plan, which also forms part of the Service Plan for Human Resources and ICT.

These issues will develop throughout the year and the management of the workforce will adapt to address the issues as they emerge. Workforce planning requires a long-term approach and so in a number of areas work will build from research and projects carried out under previous workforce plans

Resources

Resources continue to be stretched within the HR service and while this strategy recognises the workforce issues and sets direction, a degree of prioritisation is required as it is not possible to take all of the actions forward.

This will be reflected in the workforce plan which is monitored by the Personnel Forum.

Review

Monitoring and review of this strategy will take place through the Personnel Forum and CMT with 6 monthly updates which will highlight any workforce plan adjustments required related to the budget and corporate financial planning. The workforce plan will be an evolving document that is modified to respond to issues as they arise specifically including continuous improvement in key areas and ensuring there is a focus on delivery of priority outcomes. There will be a formal annual review of the plan and strategy.