

**The Highland Council**  
**Resources Committee – 27 May 2015**

Agenda Item	<b>12</b>
Report No	<b>RES/ 38/15</b>

**Finance Service Workforce Plan 2015- 2019**

**Report by Director of Finance**

**Summary**

This report sets out a summary of the Finance Service Workforce Plan for 2015 – 2019.

**1. Background**

- 1.1 Workforce planning is the process that organisations use to make sure they have the right people with the right skills in the right place at the right time. To manage their workforces effectively, organisations need to have up to date information on:
- The number of people that they employ to carry out different tasks
  - What skills the workforce has and where there are gaps
  - What skills and staff will be needed to deliver future services and priorities
- 1.2 Effective workforce planning will support the Finance Service to:
- Deliver improved services
  - Review how many employees are needed
  - Manage employee budgets effectively
  - Ensure sufficient and appropriate training is provided
  - Cope with variations in supply of and demand for various skills
- 1.3 At Finance, Housing and Resources Committee on 26 February 2014 it was agreed that a consistent approach to workforce planning should be implemented across all Council Services and presented in a consistent format. It was agreed that these plans should forecast expected staff numbers, skills needs and cost on a basis consistent with the Council's budget planning process and timetables. These should monitor the age of the workforce and prepare for peaks in departures from employees leaving due to retirement.
- 1.4 The Finance Workforce Plan has been prepared using the Highland Council six step model (please see below) as agreed by the Members of the Finance, Housing and Resources Committee on 26 February 2014. The plan covers the period from 2015–2019 and will be reviewed annually by the Finance Management Team, supported by the HR Business Partner.

Six Step Model:-

1. Environmental and context analysis

2. Future Workforce profile
3. Current Workforce profile
4. Workforce implications/Gap analysis
5. Action plan
6. Review and evaluate

## **2. Analysis**

- 2.1 The Finance Service has a total of 714 employees and 623.8 FTE. The majority of staff in the Service are part of the Business Support Job Family (485 member of staff) or Community Services (143 members of staff, mainly exchequer assistants and money advice officers).
- 2.2 The ratio of managers to employees in the Finance Service is 1:22.
- 2.3 Absence data from 2010-2011 to 2014/2015 shows that, although the average sickness days lost to sickness has increased in the last year to 8.7, it is below the Highland Council average of 9.9 days lost to sickness.
- 2.4 In relation to Employee Engagement, the 2012 Employee Survey showed that 67% of the respondents were satisfied, 17% were dissatisfied and 16% were neither satisfied or dissatisfied.
- 2.5 242 members of staff in the Finance Service are younger than 41. A total of 237 employees are older than 51, including 59 members of staff older than 61. Although there is no longer a compulsory retirement date, it is to be expected that between now and 2018 – the period covered by this workforce action plan – the majority of the 59 members of staff currently older than 61 will retire.
- 2.6 Please refer to Appendix 1 where further details on the points covered above are displayed.

## **3. Context and Drivers**

- 3.1 The environmental analysis (PESTLE) showed that the Service is operating in an uncertain political environment with consecutive years of elections and possible change in EU membership. There are positive economic developments but this also means that less people are competing for jobs. There is a shortage of certain skills in the Highlands, and combined with not always competitive pay rates, certain posts are difficult to fill. Deprivation in the Highlands affects Tax and Welfare funding. Public transport is not sufficient.
- 3.2 New technology is regarded as the main opportunity but there is insufficient broadband in the Highlands. The question is how can the Council make most efficient use of communication and how does it keep up with the speed of technology changes. The Service has to comply with a vast amount of legislation. The Service needs to find the balance between strong governance and a proactive approach to risk management and change.
- 3.3 The customer requirements are changing. The general public expect more

digital access to services and no strict 9-5 service delivery. The Highland Council's commitment to decentralised approach remains. There is a challenge to maintain the current performance standards with less resources and customers including Members will have to be made aware that this is not always possible and that priorities might have to be reviewed.

- 3.4 Changes in Service Strategy (Business Imperatives) over the next four years will focus on cost reduction and income maximisation, better use of technology, improved efficiency, focus on delivering community benefits and sustainability, innovation and the full implementation of the Finance Management Information System (FMIS) by 1 April 2018. Options for shared services are currently being explored. One way of realising these changes is to look at the current structure and identify and implement efficiency improvements.
- 3.5 Changes in the organisational culture that might impact on resources are a possible shift from being risk averse to risk management, becoming more innovative, being more open and transparent, and simplify processes where possible. The Service wishes to encourage members of staff not to just accept the way we do things, but to challenge this in order to improve efficiency and realise innovation.
- 3.6 Drivers for change regarding staff include ensuring that the Service acquires the right skill sets for the future: leadership and management skills to empower staff, and up-to-date technical skills. It is a fact that the Service will have less staffing resource which will impact on workload and priorities. Looking at the age profile of the Service, it is expected that a significant part of the Workforce will retire in the next four years. Succession planning is therefore a priority.

#### **4. Workforce Strategies**

##### **4.1 Attraction and Selection**

As described at 3.1, the Service does experience difficulties when recruiting for certain posts, particularly Procurement and Audit posts and specific posts in Corporate Finance. The Service has created Trainee Auditor posts and this has proven to be a successful approach which could be utilised in other parts of the Service for developing and training its own staff and providing opportunities to school leavers and graduates.

##### **4.2 Learning and Development**

Besides ensuring up-to-date technical knowledge, the Service is looking to develop management skills and competencies. Skill gaps are identified in Audit and Risk Management and in Procurement and the Service will take action to resolve this. For more details, please refer to Appendix 4, the Finance Service Learning and Development Plan.

Whilst there is an obvious focus on technical areas of training, a further strand of training will concentrate on personal development including management

and leadership training.

#### 4.3 Employee Engagement

The Service retains proactive engagement with all staff through regular team briefings.

The Service was keen to better understand staff views pertaining to mobile and flexible working, including opportunities for both employees and the Highland Council as their employer. A survey was undertaken and a response rate of nearly 50% (49.4%) was achieved.

The outcome suggests a significant percentage of staff are interested in more flexible ways of working and an action plan is currently being prepared by a working group comprising staff from all sections.

#### 4.4 Succession Planning

Based on the age profile of the workforce, succession planning is a priority. The Service has identified key roles/single points of expertise and will ensure that succession planning is in place.

#### 4.5 Staffing Budget Realisation

The Highland Council saving targets will have a significant impact on staffing budgets. Currently, the staffing budget savings can be met through vacancy management but this will become more challenging. The aging workforce is considered a risk because experienced members of staff will leave the organisation. But it also presents an opportunity to realise future staffing budget savings through natural turnover instead of redundancies, and provide opportunities for internal promotion.

Another way to improve efficiency, and therefore to contribute to the set saving targets, is creating a more efficient and effective structure, including a higher span of control/fewer (management) layers.

Please refer to Appendix 2 for further details regarding the planned workforce reduction over the period 2015-2019 to accommodate the Staffing Budget Realisation.

### **5. Workforce Actions**

5.1 Please refer to Appendix 3 for a detailed Service Workforce Action Plan. In summary, to ensure that the Service will have the appropriate workforce in the future, taking into account the staffing budget cuts, the following actions are proposed:

- Restructure of several parts of the Service
- Create trainee posts
- Development of management skills and competencies

- Succession planning

## **6. Implications**

- 6.1 There are no specific resource, legal, risk, equalities, climate change/Carbon Clever, Gaelic or rural implications other than those highlighted in the report.

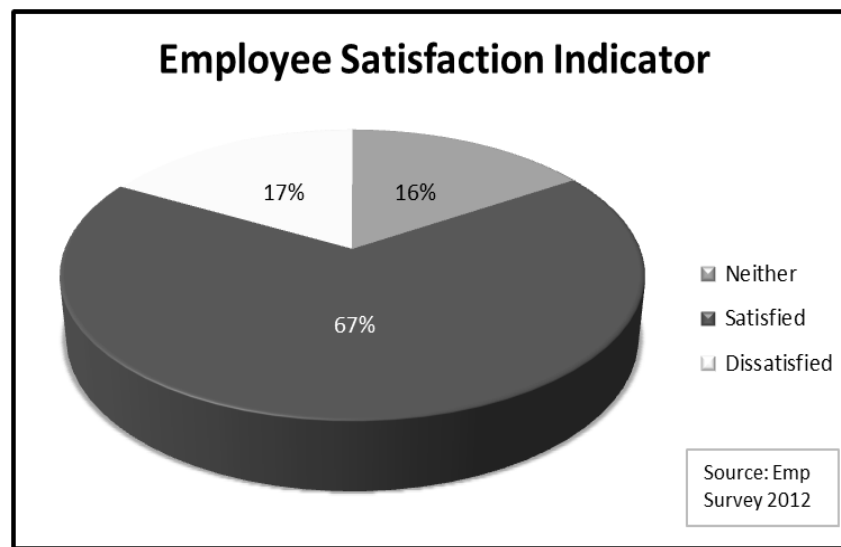
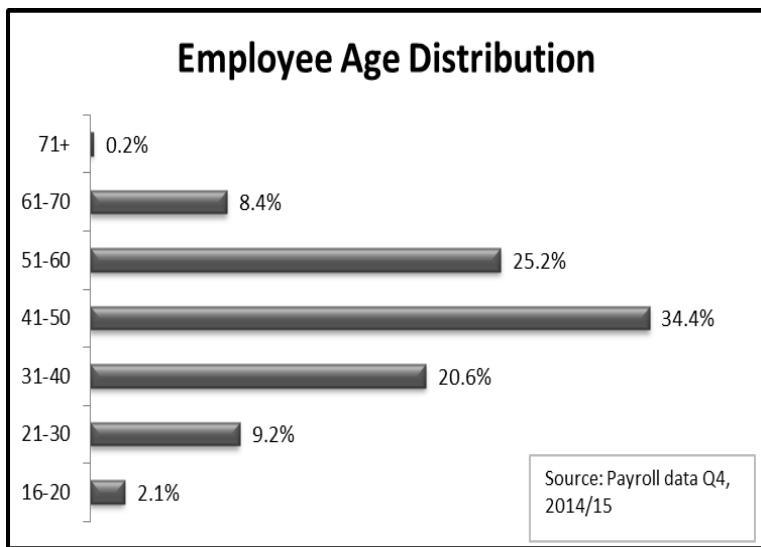
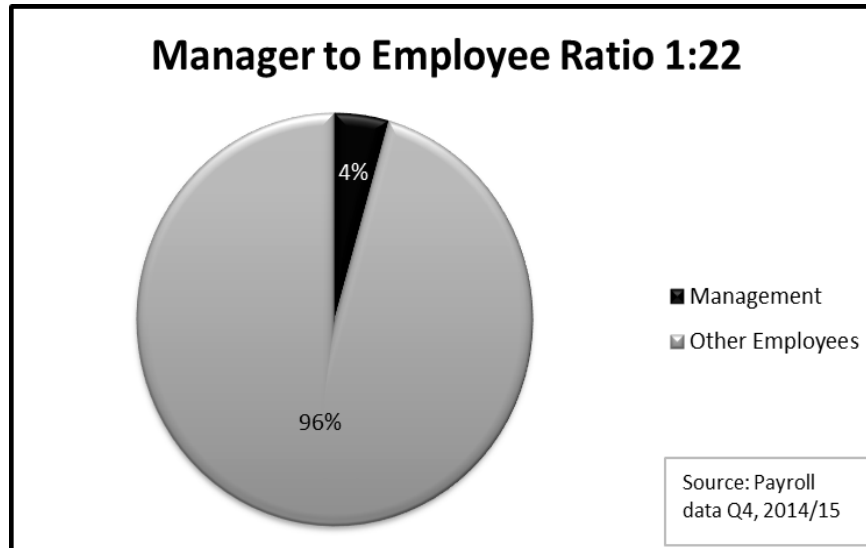
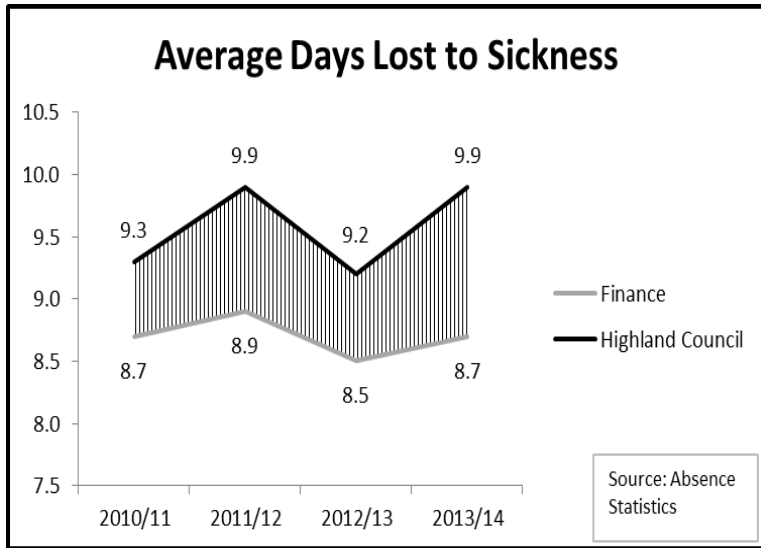
### **Recommendation**

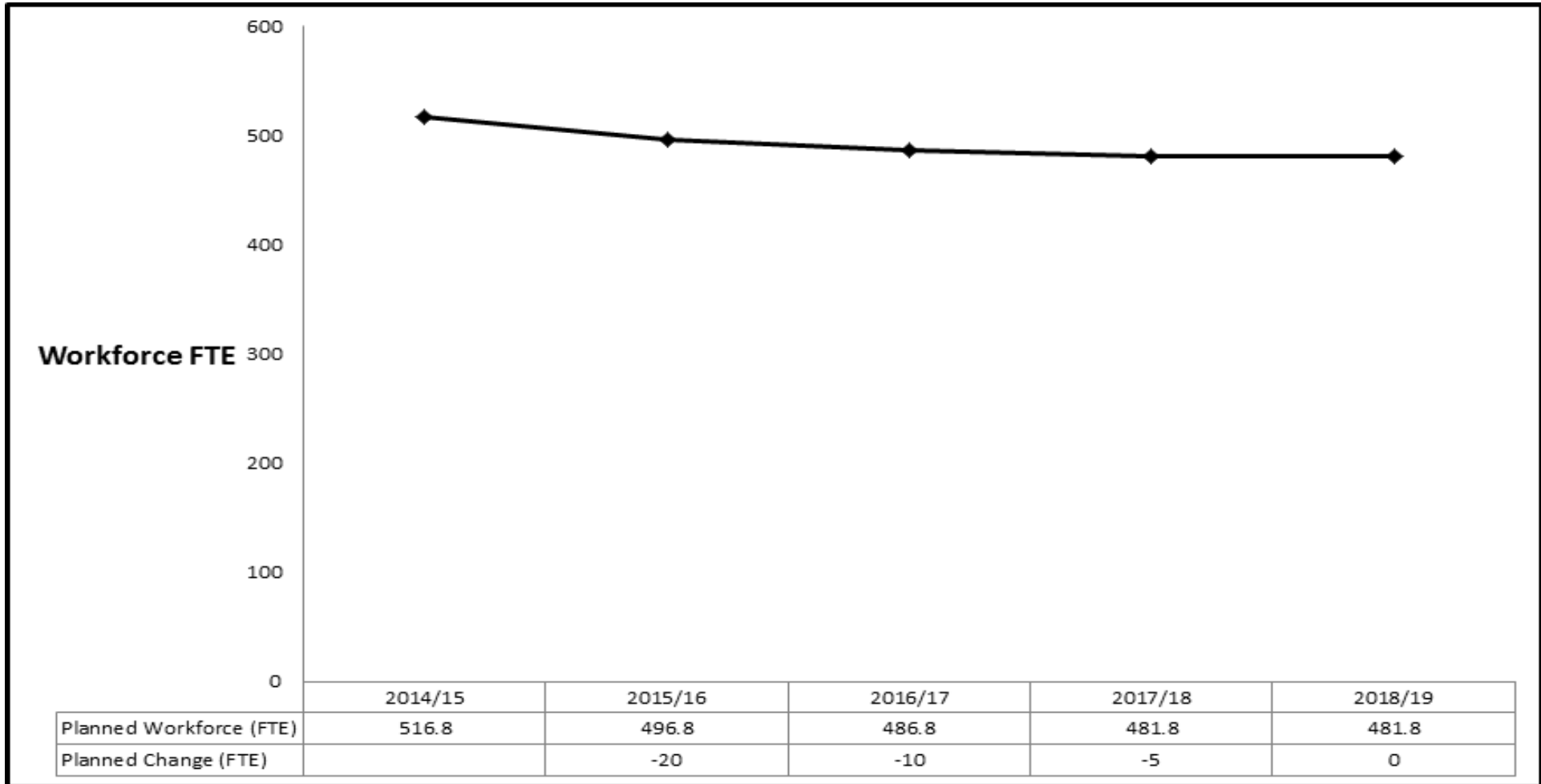
Members are asked to consider and agree the Finance Service Workforce Plan 2015 – 2019.

Designation: Director of Finance

Date: 18 May 2015

Author: Jannet Sikkema, HR Business Partner





Source: Service Staffing Budget 2014/15

Workforce Action Plan				
Issue/Need	Actions	Outcomes	Lead	Target Date
<b>Better utilisation of qualified staff</b>	Restructure to create an accounting resource dedicated to adding value	A central pool of qualified staff to assign finance and accounting tasks	Head of Corporate Finance	Commence after full introduction of new FMIS 1 <sup>st</sup> April 2018
<b>Implementation Category Management Model</b>	Re-structure Procurement	Three teams including career development opportunities	Head of Procurement	Completed 2016
<b>Amalgamate Revenues/Benefits and Business Support</b>	Re-structure	Efficient new Service	Head of RBS	Complete 1Q 2016
<b>Recruitment issues</b>	Create trainee posts as appropriate	Future vacancies can be filled	Heads of Service	Completed 1Q 2017
<b>Future development Managers</b>	Establish training needs and develop a Service Learning/Management development plan including competencies	Managers are well equipped for their roles and responsibilities	Heads of Service and Service Director	Development plan completed 2Q 2016
<b>Aging workforce</b>	Succession planning	Key roles are identified and succession secured	Heads of Service and Service Director	Completed 1Q 2016



## Finance Service Learning and Development Plan

## Appendix 4

<b>Job Family</b> e.g. Technical, Personal care, Business support, Community, Professional or Management	<b>Subject Area</b> e.g. Health & Safety, Legislation & Policy, Business Change, Management Development., Values – staff engagement, Personal & Professional development	<b>Is this a Statutory or mandatory requirement?</b> Y/N	<b>Training Requirement</b> e.g. performance management , financial management, manual handling	<b>Target Date</b> e.g. April 2015	<b>Participants / Staff Group &amp; numbers</b> e.g. managers x10, drivers x5, all x100	<b>Cost implication or actual cost (if known)</b> <b>High</b> (large number of participants/ large impact on budget, <b>Medium</b> impact or <b>Low</b> (small numbers / already budgeted for ) or actual cost e.g. 2 days x 500 = £1000
<b>Business Support</b>	Health & Safety	N	Performance Management	31/03/16	2 Managers 7 Supervisors 16 Staff	£555
<b>Customer Services</b>	Values – Staff Engagement	N	Performance Management	31/03/16	15 Staff	£1,000
<b>Management</b>	Management Development	N	Leadership Development Skills Gaps	31/03/16	25 Managers /Team Leaders	£22,500
<b>Personal Care</b>	Health & Safety	N	Performance Management	31/03/16	25 staff members	£1,000
<b>Professional</b>	Personal & Professional development	N	Financial/Performance Management	31/03/16	100 staff members	£37,500
	Legislation & Policy	N	Financial/Performance Management	31/03/16	215 Team Leaders and staff	£10,100 ***

\*\*\* In addition, the Finance Service employs 2 FTE to deliver specialist training on Council Tax and Housing Benefit.