

Agenda Item	18
Report No	RES/70/17

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 15 November 2017

Report Title: Corporate Resources Service Workforce Plan 2017- 2021

Report by: Director of Corporate Resources

1. Purpose/Executive Summary

1.1 This report sets out a summary of the Corporate Resources Service Workforce Plan for 2017 – 2021.

2. Recommendations

2.1 Members are asked to agree and endorse the Corporate Resources Service Workforce Plan 2017 - 2021.

3. Background

- 3.1 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, and at the right cost. At WBM on 24 April 17 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 further agreed that these plans should reflect the design principles and action plan timescales attached at **Appendix 1**.
- 3.2 Workforce plans were last presented by services in Autumn 2015, since then, workforce requirements have been directly affected by budget cuts, VERS and EERS. Moreover, impending redesign and restructure means that Workforce Planning is a strategic priority. The overall aim is to produce a Corporate level Workforce Strategy by January 2018. To inform the corporate requirement, service level workforce plans should, wherever possible take account of opportunities across the Services.
- 3.3 Effective workforce planning will support the Corporate Resources 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
- 3.4 On 1st October 2017, the Corporate Development Service and the Finance Service were merged into the new Corporate Resources Service. Both Services had started work on their Workforce plan but because of the similarity between the issues in these supporting Services, it was agreed that they would be brought together in one Workforce plan for the new Corporate Resources Service.
- 3.5 This workforce plan has been prepared using the Highland Council six step model, attached as **Appendix 2**. The plan covers the period from 2017 – 2021 and will be a rolling 4 year plan, monitored by the Service Management Team and reported on to the Resources Committee on a yearly basis.
- 3.6 It is expected that actions and issues identified in this report will deliver input for the Corporate Workforce Plan which will be completed by the end of the year.

4. Context and Environment

- 4.1 As part of the Workforce Planning process, the Senior Management Teams reviewed the context and environment in which the Highland Council is operating. Compared to the outcomes of the last Workforce Planning sessions held in 2015, substantial changes have been identified in context and drivers for change, specifically in the Political and Economic context: a new administration, ongoing Council redesign, Welfare reform, uncertainty around Brexit and the budget position.

- 4.2 The Highland Council is facing an annual saving target of c£30m. Although the need for a slight reduction in staff was anticipated two years ago, the main challenge for the Service is also try to reduce staffing costs considerably whilst continuing service delivery, and preventing compulsory redundancies wherever possible.
- 4.3 The Finance Service has lost 15% of its employees as a result of the Voluntary Redundancy Scheme (2016) and the Employee Early Release Scheme (2017). The Corporate Development Service lost 10% of staff. Notwithstanding 2 successful lean reviews that facilitated a small reduction in FTE, both Services recognise that the workload has not significantly reduced, emphasising the need for staff welfare as the Service tries to deliver more with less.
- 4.4 Technology plays a very important role in the service delivery. It provides opportunities like enhanced online service delivery, less travel, less paper. But it also underlines the importance of investing in the digital skills of our workforce.
- 4.5 The Service has to ensure other Services are compliant with complex and continually changing legislation, for example employment law, financial regulations and codes of practice.
- 4.6 At the moment, uncertainty remains on the impact of the Highland Council redesign, Brexit and a possibility of an Independence Referendum 2. Moreover, a new Administration (May 2017) and a new Committee Structure have been implemented. The Service does recognise that this will all affect the future Workforce demands but it is not possible at the moment to outline the full consequences. Therefore this document is a rolling plan and will be reviewed whenever is appropriate.

5. Future Workforce Profile

- 5.1 When considering the future workforce profile, the management team acknowledged the impact that the budget saving could have on its current workforce resource. Corporate Resources provides professional support to the other Services in the Highland Council, for example by Finance, HR and ICT professional. Continued demand for support creates pressures in a time where budgets and staffing levels are decreasing.
- 5.2 Although the Corporate Service will have to find ways to reduce the workforce, there are several posts in the Service which are crucial but will be hard to fill if they become vacant. Utilising the Modern Apprentice scheme has been identified as one approach to alleviate recruitment challenges and support long-term succession planning.
- 5.3 Any decrease in staffing numbers will have an impact on work pressures and decisions will have to be made on what the Service will stop doing and what we can do more efficient. This can be supported by ICT and LEAN reviews.

- 5.4 A smaller number of staff enhances the need to ensure that the remaining workforce has the right skills and competencies to create an agile workforce that can cope with the work pressures. This includes management development.
- 5.5 Structure reviews are necessary as current structures do not always seem fit for purpose. There are also opportunities to work closer with sections in other Services to reduce overlap, create efficiency and improve internal and external customer service.

6. Current Workforce Profile

- 6.1 The new Service has a total of ca 750 staff and 650FTE. These numbers would have been significantly higher in 2015. This reduction is mainly caused by 130 people leaving under the VR and EERS scheme in 2016 and 2017. Other causes are vacancy management and the TUPE transfer of the Procurement section to a shared service centre with the 2 Aberdeen Councils.
- 6.2 The latest sickness absence data for the two Services show a positive trend over the last two years. The average days lost to sickness per person in 2015-2016 was 8.5 (Finance Service) and 8.4 (Corporate Development). Last year showed a clear improvement with an average of 6.8 days (Finance Service) and 6.1 days (Corporate Development), well below the HC average of 9.3 days per person. Work related stress is an important cause of sickness absence and this needs to be addressed.
- 6.3 Like the other Services, the Corporate Resources Service is dealing with an aging workforce. 53% of the workforce is between 31 and 50 year old and 33% is 51 and older with 5% over 61. People are all in different stages of their lives and require different work-life balance which the Service is trying to accommodate.
- 6.4 The implementation of the new Service has led to the realignment of responsibilities at Head of Service level. Currently, the Service Management Team is reviewing various synergies across the new Service, considering options and opportunities, in discussion with managers, team leaders, staff, and trade unions on managing and enhancing the delivery of services.
- 6.5 One of the strengths within the Service is specialist expertise, and the management team recognised the need to put effective succession planning in place to reduce the vulnerability of having specific knowledge with single staff.
- 6.6 The Service values the positive partnering relationship it has with the Trade Unions and will invest in maintaining this in order to work with them on issues like staff health, safety and wellbeing, equality, Service structures and job design.

7. Workforce Actions

- 7.1 Please refer to **Appendix 3** for a detailed workforce Action Plan.

Following an analysis of the Context, the future workforce profile and the current workforce profile, the following workforce work streams have been identified to ensure that that the Service will have the right people with the right skills in the right place, taking in consideration the future budget restraints: :

1. Succession Planning
2. Management and Leadership development
3. Development of an agile workforce
4. Apply LEAN reviews to existing processes in order to identify and realise efficiencies.

8. Implications

- 8.1 There are no specific **Resource, Legal, Community (Equality, Poverty and Rural), Climate Change/Carbon Clever, Risk** or **Gaelic** implications other than those highlighted in the report.

Designation: Director of Corporate Resources

Date: 2 November 2017

Author: Jannet Sikkema, HR Business Partner

Appendix 1

Corporate Workforce Planning 2017 – 2021 Design Principles and Suggested Action Plan

References:

- A. Highland Council Financial Strategy 2017 – 2021
- B. Highland Council Workforce Planning Guidance & Toolkit

Design Principles:

- Aspire to be the Employer of choice in the Highlands
- Develop a medium term workforce aligned with the financial strategy
- Align the workforce plan to key service delivery outcomes, reflecting the need to retain skilled and valued staff
- The Workforce plan should be driven by the change agenda towards localism, Redesign, digital, commercial and efficiency.
- Focus on transition and retraining as positive alternatives to redundancy
- Improve recruitment to better meet service outcomes and attract skilled workers into difficult to fill posts
- Cultivate a better understanding of the existing common and generic skills of the workforce
- Development of a more flexible workforce with agile role designs and terms and conditions of service that meet the needs of employees and complements the strategic direction of the Council
- Implement management to staff ratios that create capacity and allow managers to lead and inspire
- Create structures that allows delegation of decision making to a local level and encourages empowerment of employees at all grades
- Re-balance the workforce age demographic
- Maintain good partnering relationships with trade unions

Workforce Planning Toolkit



Issue/Need	Actions	Outcome	Lead	Review date
Succession planning	<p>Identify key post</p> <p>Develop career paths</p> <p>Appoint mentors to support and develop staff in new roles</p> <p>Utilise Modern Apprenticeship programme</p>	<p>Reduced risk of losing critical knowledge</p> <p>Staff is trained and supported to take on promoted and difficult to recruit posts.</p>	Corporate Resources management team	March 2018
Leadership and Management development	Work with Learning and Development to put in place a leadership and management development programme	Managers are well equipped to lead change and support staff.	Head of People and ICT	March 2018
Agile workforce	<p>Develop a strategy to create a more flexible workforce.</p> <p>Working with HR and Unions to create more flexible Terms and Conditions</p> <p>Ensure the ERD process is followed for all staff across the Service to identify and develop different skills, and support staff into different career paths</p> <p>Create a culture of transitions to create opportunities for staff across the Services</p>	<p>The service has the right people in the right place</p> <p>More flexible Terms and Conditions and Contracts</p> <p>Highland Council is more attractive employer due to flexible working arrangements</p> <p>More redeployment opportunities (cross Services) resulting in less difficult to recruit posts and less redundancies</p>	<p>Corporate Resources management team</p> <p>Head of People and ICT</p> <p>All managers</p>	March 2018

<p>Restructure and process review</p>	<p>Structure review Identify business processes and apply LEAN review</p>	<p>A robust and affordable Service structure Efficient business processes leading to improved service delivery and contributing to saving targets.</p>	<p>Corporate Resources management team</p>	<p>March 2018</p>
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