

Agenda Item	5.
Report No	HP/06/23

HIGHLAND COUNCIL

Committee: Housing & Property Committee

Date: 27 April 2023

Report Title: Workforce Planning

Report By: Executive Chief Officer Housing and Property

1 Purpose/Executive Summary

- 1.1 This report sets out a summary of the Housing and Property Service Workforce Plan for 2022 – 2025.

2 Recommendations

- 2.1 Members are asked to **NOTE** the Housing and Property Service Workforce Plan for 2022 – 2025.

3 Implications

- 3.1 **Resource:** Given the current and forecasted budget challenges, the service has reflected on what, where and how services are to be delivered to best utilise the existing workforce. An example of reprioritising and reshaping the service, has resulted in a new peripatetic FM operational model which will deliver the right skills in the right place at the right time. Additionally, a structure review is being considered to drive service delivery efficiency. The service management team recognise that continuous review is required as failure to manage workforce planning and change, puts at risk the Council's capacity to make the most effective use of resources.
- 3.2 **Legal:** Care is required that large scale and complex workforce change is managed in line with current employment legislation and Highland Council policy.
- 3.3 **Community (Equality, Poverty and Rural):** Targeted recruitment in rural areas (migration and repopulation, especially in our remote/rural areas is an issue), with potential factors such as housing, transport, remoteness, skills gaps, long-term employment, and fair pay all being strong influencers.
- 3.4 **Climate Change/Carbon Clever:** No implications.

3.5 **Risk:** Having a sustainable workforce is included as a risk on the Corporate Risk Register. There are also staffing resource challenges associated with budget constraints.

3.6 **Gaelic:** No implications.

4 Background

4.1 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. To manage their workforces effectively, organisations need to have up to date information on:

- the number of people they employ to carry out different tasks
- what skills the workforce has and where the gaps are
- what skills and staff will be required to deliver future services and priorities

4.2 Service specific workforce planning has been taken forward in line with the agreed Workforce Planning and Development Action Plan that was approved at the Redesign Board on 23 March 2021.

4.3 The Highland Council's People Strategy approved at Committee on 27 October 2022 outlines the direction and framework for the organisation over a 5-year period relating to our workforce. The Strategy provides an overview and our approach covering eight key staff elements: staff engagement; health, safety, and wellbeing; reward and conditions (including job design); talent management; people development; people data and processes; workforce planning; equality, diversity, and inclusion.

4.4 Effective workforce planning will support the Housing & Property Service to:

- deliver improved services
- review and understand the workforce establishment
- manage staffing budgets effectively
- ensure sufficient and appropriate training is provided
- cope with changes in supply and demand for various skills.

4.5 The Housing and Property Service Workforce Plan has been prepared using the Highland Council six-point model (Appendix 1). The period of the plan is from 2022 to 2025, which will be a rolling 4-year plan, monitored and reported on to the Housing & Property Committee.

5. Context and Drivers

5.1 As part of the workforce planning process, the Housing & Property extended Senior Management Team undertook two focused sessions facilitated by HR Business Partners to:

- analyse the context and environment in which the service is operating
- analyse the current and required workforce profile
- develop actions to ensure the service workforce can meet future demands and priorities.

- 5.2 When undertaking a PESTLE (Political; Economic; Social; Technological; Legal and Environmental) analysis it became clear that the service is currently operating in a mainly Economic environment, but other critical demands were also reflected in a Social context, with customer expectations, ageing workforce and supporting rural areas with services and employment identified.
- 5.3 Recruitment is a significant problem for the Service. Repercussions from Brexit, lower salaries when compared to the private sector, increased outward migration and an ageing Highland population all contribute to the difficulties experienced in recruiting suitable candidates. This is further exacerbated by the age profile of the workforce and predicted high numbers of retirement in the very near future.
- 5.4 The Cost of Living Crisis, the impact of the pandemic and other global factors has led to an increase in differing nationalities and cultures locating to Highland. This has resulted in varying customer requirements which could place additional demand on the service and service users and teams need to be prepared for this. A very recent example being the Ukrainian refugee settlements.
- 5.5 The Service Management Team are aware of the need to provide staff with a sense of belonging and provide opportunities to motivate, engage and empower the workforce to achieve a working environment based on the Councils values to improve motivation, ways of working and individual capability at all levels.
- 5.6 Consideration is also given to performance management being a critical component to workforce planning. Performance Management not only allows managers and staff to communicate expectations and outcomes, but more importantly, it provides information to management allowing them to make informed decisions regarding service delivery. Through effective use of data, leaders can analyse the current situation, identify trends and gaps in the workforce and plan for the future by taking proactive and corrective actions through processes such as recruitment, training and development. Performance management can also help managers recognise areas for improvement and increase staff engagement and retention.
- 5.7 The Highland Council's Digital Strategy and implementation plan which lays the foundations for a 'Digital Council' is an area of significance for the service. Digital transformation is 80% about people and 20% about technology. Therefore, this is a key consideration in workforce planning and organisational development, with the Council, staff and service users benefiting from increased efficiencies through the development of a digital culture and mindset.
- 5.8 The Housing & Property service values the positive partnering relationship it has with the Trade Unions and will invest in maintaining this in order to establish a more agile workforce in relation to reviewing current staffing structures, working practices and processes.

6 Current Workforce Profile

- 6.1 The Housing & Property Service has a total headcount of 1,862 staff and has an average turnover of 13%. The workforce comprises of 71% female and 29% male.

- 6.2 Age profile is a significant problem for the service. There are currently 444 employees (nearly 24%) that are younger than 41. 1,022 employees (nearly 55%) are 51 years or older, including 358 members of staff older than 61. Although, there is no compulsory retirement date, it is to be expected that between now and 2025, (the period covered by this report), the majority of the 358 staff older than 61 will retire, which would equate to almost 20% of the current workforce.
- 6.3 The latest absence data shows the service absence levels are only slightly above the Council average of 1.8%. Further analysis identified that stress and musculoskeletal problems are the top two reasons for long term sickness absence within the service and this needs to be proactively addressed.
- 6.4 Historically, the service has not relied on agency working and does not generally incur large costs in relation to this. However, compared to the previous year, there has been an increase in agency usage (89%) in 2021/22 due in the main to difficulties experienced in recruiting suitable candidates, particularly in the Architectural and Property Management functions. This is an additional cost and makes it difficult to deliver a consistent service and therefore agency usage needs to be proactively managed, and reliance reduced.
- 6.5 There is a recognition that one of the strengths within the Service is specialist expertise. Previously there had been limited use of the Apprenticeship Scheme, however, over the last 4 years this has changed significantly, with managers being proactive in exploring and utilising such frameworks, with particular focus on difficult to recruit posts and remote areas within the Highlands. The Service currently has 64 modern apprenticeships and 10 graduate apprenticeships.
- 6.6 The Council's Senior Management Redesign has been completed within the Housing & Property Service and this has provided opportunities for further restructuring. This has been carried out in partnership with Trade Union colleagues to ensure appropriate and effective change is achieved for the Service and staff affected.

7 Future Workforce Profile

- 7.1 When considering the future workforce profile, the Housing and Property Service Management team acknowledged the impact that budget savings could have on current staffing resource.
- 7.2 The need to utilise the current workforce as effectively as possible and prioritise service delivery is paramount to successful workforce planning. The Service currently provides professional support to other services within the Council and continued demand for this support creates pressures at a time when budgets and staffing levels are decreasing. Any further decrease will have an impact on existing work pressures currently felt by the workforce and decisions will have to be made on what the Service will stop doing and what they can do to be more efficient. This can be supported by utilising technology and conducting LEAN reviews.
- 7.3 Structures and roles that enable collaborative working whilst building agile teams are also a key consideration in workforce planning. Therefore, transition and mobilisation of staff, which supports the Corporate Transition Model will provide scope to consider and offer realistic alternatives and options for staff, which will also create more flexibility across teams and Services.

- 7.4 Vacancy management, reduction in temporary contracts and recruitment controls have been very successful to help meet the Service 2022/23 budget targets. The Service will continue to apply due diligence in these areas to help manage targets for 2023/24. The fact the Service has an ageing workforce with 358 employees within 61-70 age range may also help realise some of the future budget requirements through natural turnover.
- 7.5 The Council aims to engage a strategic approach to Talent Management that ensures a strong focus on attraction and retention to secure a workforce that is robust, dynamic, flexible, and thriving. Going forward the Housing & Property Service need to identify talent and generate opportunities for staff to develop multi skills that meet organisational needs, particularly in areas of identified skills shortages.
- 7.6 As mentioned previously in this report, recruitment is one of the main workforce issues for the Service. As a result, there are several unfilled critical vacancies which result in additional pressures on the existing workforce and service delivery concerns. The development of an effective recruitment strategy is therefore paramount, building on the Talent Strategy developed by the Corporate Talent Manager. The Modern Apprentice scheme has been identified as one approach to support long-term succession planning. Therefore, building upon the already successful utilisation of the apprentice framework will be crucial considering almost 20% of the aging workforce will potentially retire within the next 4 years. Further work is also required to engage with schools to explore careers within the Housing and Property Service and for the Service to identify entry level opportunities for school leavers. The Service would also benefit from discussion with UHI to explore further education possibilities in relation to the Housing Management function as there is a shortage of available courses in Highland which contributes to a lack of awareness of this function as a career opportunity.
- 7.7 Achieving development requirements and supporting a changing workforce for the successful future of the Service requires robust leadership abilities at all management levels. It is seen as critical therefore, that the development of managers is recognised and supported as a key priority.
- 7.8 Hybrid working was an area already being explored within the Council, however the Coronavirus pandemic brought to the fore the opportunity to take forward at speed, new ways of working for staff and customers, as well as new ways of service delivery.
- 7.9 Whilst increasing the effectiveness of activities and meeting aspirations of staff for an improved work-life balance, hybrid working is also intrinsically linked with asset rationalisation, climate change and digital transformation.

8. Workforce Actions

- 8.1 Following an analysis of the context and the current and future workforce profiles, the Housing and Property Service will strive to ensure that it has the appropriate workforce going forward and will achieve this through the following actions:
- continue with the development of an affordable, agile and sustainable workforce
 - identify synergies and support cross team/service working opportunities
 - develop an effective structure
 - continue to support management and leadership development
 - develop an effective recruitment and retention strategy
 - continue to utilise the modern and graduate apprenticeships to support succession planning

- explore mature digital approaches to service delivery and apply LEAN reviews to existing processes in order to identify and release efficiencies
- establish training action plans

8.2

Several actions identified through the workforce plan will be linked to work streams covered in the Corporate Workforce Strategy, such as improvement of management data and business processes.

Designation: Executive Chief Officer Housing and Property

Date: 13 February 2023

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