

Agenda Item	<b>9.</b>
Report No	<b>RES/07/24</b>

# The Highland Council

**Committee:** Corporate Resources

**Date:** 7 March 2024

**Report Title:** Resources & Finance Service Workforce Plan 2024-27

**Report By:** Interim Depute Chief Executive

## **1. Purpose/Executive Summary**

1.1 This report defines workforce planning and its purpose and outlines the Resources & Finance (R&F) Service Workforce Plan for the period 2024-2027.

1.2 **Appendix 1** – provides R&F service workforce data; **Appendix 2** – sets out the R&F service Workforce Action Plan.

## **2. Recommendations**

2.1 Members are asked to:

i. **Approve** the Resources & Finance service Workforce Action Plan at **Appendix 2**.

## **3. Implications**

3.1 Resource:

Employees are an essential and highly valued Council resource. A 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:

Large scale and complex workforce change must be managed in line with current employment legislation and Highland Council HR policy.

3.3 Community (Equality, Poverty, Rural and Island):

A full Equality Impact Assessment will be carried out following approval of the Workforce Action Plan.

- 3.4 Climate Change / Carbon Clever:  
The hybrid working approach and more efficient use of technology and equipment will contribute to achieving carbon reduction targets.
- 3.5 Risk:  
Workforce Planning is included as a risk in the Corporate Risk Register. There are also staffing resource challenges associated with budget constraints. This report outlines actions to mitigate risks in relation to current and future workforce challenges.
- 3.6 Health and Safety (risks arising from changes to plant, equipment, process, or people):  
The ongoing rationalisation of office space and subsequent movement of staff, including where staff are working between office and home, must be managed effectively to ensure their health, safety, and wellbeing.
- 3.7 Gaelic: No implications

## **4. Introduction**

- 4.1 Workforce planning (WFP) is the process of analysing, forecasting and managing workforce supply and demand, assessing gaps and, determining appropriate actions required. Workforce Planning helps ensure the organisation has the right people, with the right skills, in the right place at the right time and, at the right cost (affordability), to ensure strategic objectives are met.

To enable effective WFP, it is essential that up-to-date HR data is available and service staff insights are sought, to understand:

- Current workforce characteristics including the number of people employed to carry out different tasks and the different types of contracts.
- Workforce skills and any gaps.
- The number, level and skills of staff needed to deliver identified and anticipated future services and meet changing priorities.

- 4.2 Service specific workforce planning has been taken forward in line with the agreed Workforce Planning and Development Action Plan, approved by Redesign Board in March 2021.
- 4.3 The Highland Council's [People Strategy](#), approved at Full Council in October 2022 outlines the direction and related framework for the organisation over a 5-year period. The Strategy provides an overview and outlines the approach, covering eight key People elements: Staff Engagement; Health, Safety and Wellbeing; Reward and Conditions (including job design); Talent Management; People Development; People Data and Processes; Workforce Planning and Equality, Diversity and Inclusion.

4.4 Effective workforce planning will support the R&F service to:

- Deliver improved services.
- Review how many employees and the type of contracts required.
- Manage employee budgets effectively.
- Develop a robust service structure with appropriate management structures providing opportunity for progression and career development.
- Ensure sufficient and appropriate training and learning and development is provided.
- Cope with changes in supply and demand for various skills.
- Deploy/recruit staff effectively and efficiently.
- Increase retention and enable succession planning.

## 5. Background

5.1 The R&F Service Workforce Plan has been developed using the Highland Council 6-step model:

1. Context and Environmental Analysis
2. Future Workforce Profile
3. Current Workforce Profile
4. Workforce Implications/Gap Analysis
5. Action Plan
6. Review & Evaluate

The plan covers a period of 4 years (2024–2027) and will be monitored and reviewed annually by the Service directorate, supported by the HR Business Partner.

5.2 The Extended Senior Management Team undertook a focused workshop late January 2024 to work through each stage: analysing context and environment; identifying and anticipating the current and future workforce profiles required and, identifying actions needed to ensure future demands are met. The workshop was facilitated by the Service HR Business Partner.

5.3 Following the WFP Strategy Review Board's recommendation to take a broader approach to Service WFP, both the service Performance Business Partner and Project Officers from ICT (Digital Strategy) also attended.

The HR data analysed is shown in **Appendix 1**.

## 6. Context and Environment (Step 1)

6.1 The context and environment analysis carried out recognised both the political and economic challenges The Highland Council, and therefore the Resources & Finance service faces.

6.2 The service extended management team acknowledged the impact budget outcomes will likely have on current staffing, with some service functions critical to positively influencing and contributing to the successful delivery of the Council Programme, already under resourced.

6.3 It was also acknowledged that as part of the Service supports the achievement of broader service and corporate objectives, including the fulfilling of statutory and other requirements, changes to R&F staffing are likely to be driven by service delivery changes within the other Council services and at a corporate level in terms of agreed ongoing and planned programmes.

## **7. Future Workforce Profile (Step 2)**

### **7.1 Structure & Roles**

7.1.1 Some restructuring has already taken place with both HR Business Support and Payroll functions moving into the People team in April 2023. This has allowed greater joined up working and re-allocation of resource, not least in relation to the ongoing People and Finance Systems Programme.

7.1.2 The extended service management team recognises the opportunity this presents to explore more generic People posts, allowing for added flexibility of roles and broader staff development.

7.1.3 A further audit of service establishments in March provides opportunity to review and validate the current establishment including vacancies. This should be monitored on a regular basis by the senior management team.

7.1.4 There is a number of Clerical staff within the Revenues & Business Support section at Grade HC2. These roles have evolved to include use of specialist systems and business processes and is currently operating at a higher level. The Service is also progressing the implementation of a new staffing structure within the Pensions team, as agreed by the Pensions Committee, which provides some additional staffing capacity in light of growing scheme membership, new regulatory and external requirements, and to support improvements in services provided to scheme members.

It is recognised that in a number of key managerial roles across the service, there are vacancies, and temporary arrangements in place, with the intent to fill and formalise to improvement managerial support and improve stability.

### **7.2 Recruitment & Retention**

7.2.1 The service understands the importance of “Growing our Own”, particularly given the challenge with recruiting to some specialist posts that require a specific qualification e.g. in Occupational Health, Safety & Wellbeing and Corporate Finance.

7.2.2 Some permanent staff within Revenues & Business Support and Payroll have come through the Modern Apprenticeship route and this continues to work well. Trainee posts have also proven successful within Finance in the past. Options for entry level posts with a structured programme for development should be explored.

7.2.3 The service also recognised potential to link with Schools and UHI to explore options for attracting and encouraging young people and graduates where specific skills and qualifications are required/desirable e.g. HR, Accounting and Payroll, and Revenues & Business Support.

- 7.2.4 It is important that there continues to be a focus on vacancy management and opportunity taken when posts are vacated to look at how services can be delivered differently.
- 7.2.5 It was acknowledged that some post titles may be more attractive to male/female applicants. Alternative post titles should be considered, and positive action statements used where appropriate.
- 7.2.6 The current exit interview process should also be reviewed to enable earlier staff engagement in relation to reasons for leaving.

### 7.3 **Staff Skills, Training and Development**

- 7.3.1 There is an appetite for increased staff training and development, in particular to equip staff with digital skills in order to explore how technology can enable modernisation of processes and increase efficiency. 'Leading', 'Thinking' and 'Being' Digital are the three key themes of the Council's [Digital Strategy](#) which in turn forms part of the Council's wider agenda for its organisational development: growing the workforce for the future and ensuring no one is left behind.
- 7.3.2 Service survey results showed that 32% of staff responding agreed that there were "opportunities to develop (their) career with Highland Council." Savings have been identified in HR's training budget which is seen as a risk. The service is aware of specific changes to HR legislation and Finance, Revenues, and Benefits regulations during 2024-25 and anticipates further changes going forward which will require staff to undertake specialist training.
- 7.3.3 The service should continue to monitor completion of mandatory modules and ERD compliance. Work should also continue with HR, People Development and the Modern Apprenticeship team to identify suitable opportunities for development whether that be specific qualifications, face to face training or via e-learning modules, as well as to identify any funding that may be available for staff development and training. It was acknowledged that availability and allocation of development funding can change significantly from year to year.

### 7.4 **Staff Performance & Wellbeing**

- 7.4.1 Levels of absence within the service are low. Where there are instances of long term or consistent short-term absence, this is managed with support from the Attendance Support Officer where required. The service should continue to review absence stats on a regular basis.
- 7.4.2 It was identified that reasons for absences are not always provided. HR should look at making reasons for absence a mandatory element to ensure meaningful reporting. Staff should be made aware of the wellbeing support resources available and managers should complete the necessary mandatory courses in order that they are able to confidently provide support where needed.
- 7.4.3 Albeit hybrid working affords staff greater flexibility and a better work/life balance, it was acknowledged that clear parameters are required around Hybrid working and the requirement of staff being available during core hours. The Flexible Working policy is

currently being reviewed. It was also recognised that Hybrid working must align with rationalisation of work locations in order that efficiency targets are met.

- 7.4.4 There are areas of the service where particular risks and impacts from workload and staffing levels were highlighted, with the need to consider how staff wellbeing is supported.

## 7.5 **Staff Survey**

- 7.5.1 An Employee Survey Corporate action plan has been developed and was approved at Council on 14 December 2023.
- 7.5.2 Results of the recent Wellbeing survey carried out during December and January will be available in the coming weeks and should be reviewed and any service specific actions identified.

## 8. **Current Workforce Profile, Implications, and Gap Analysis (Steps 3&4)**

- 8.1 The Resources & Finance ECO post has been vacant since June 2022. Currently, the service operates with 3 Head of Service posts, with the Section 95 Officer seconded from another service. . A wider review of service structures has recently been carried out and restructure proposals are expected soon.
- 8.2 The current R&F service workforce consists of 480 staff (427.16 FTE). Staff turnover is low and below Council average at 7.9%. The service employee survey results showed that 73% of staff responding agreed that they “want to stay working with Highland Council for at least the next 3 years”.
- 8.3 The service recognises and appreciates the specialist knowledge, dedication and flexibility of staff. Service survey results showed that 90% of staff responding agreed they “have the skills needed to do (their) job effectively”.
- 8.4 In terms of where staff are based, there is no ‘one size fits all’ however there is more scope in some sections e.g. HR, Payroll, and Corporate Finance given the nature of the work, for staff to work remotely. Service employee survey results showed 86% of respondents “can” work from home (up 54% on the overall Council figure) and that 46% of respondents worked from home “all of the time”. However, this is likely an after effect of Covid. The next employee survey is due to be carried out later this year.
- 8.5 The survey showed the highest scoring benefits for staff working from home as Work/life balance (82%) and Wellbeing (64%).
- 8.6 In terms of Resource and Workload, 66% of respondents agreed that they had the resources to do their jobs effectively and, 59% agreed that they had a reasonable workload.
- 8.7 The nature of some work within the Resources & Finance service involves supporting all Council Services , and means that staff are often working reactively and, delivery of the business as usual can often be challenging. Dependent on wider/service priorities there is often little time for planning or proactive service area specific work to be undertaken. For Revenues, scheduling of activities is undertaken in advance of each financial year,

ensuring legal compliance and enabling legislative changes to be implemented on time. Revenues is a frontline, demand-led service which requires effective and responsive management of available resources. Across the service a significant current workload impact related to the new Corporate Finance System project, which was a significant draw on staff time and capacity, while staff still had to deliver business as usual services. Even with some dedicated project resource in place, there was still significant demand on the team.

- 8.8 There is a fairly significant gender imbalance (80% of staff are female) within the service. People, Revenues and Business Support functions are widely recognised as being female dominated. The service is keen however to explore ways to encourage more male staff into those areas.
- 8.9 The Age profile of the service should be monitored. 45% of staff are over 51 years, including those in higher level management posts that require a high degree of specialist knowledge and skill. Albeit there is no longer a default retirement age, it is anticipated that during the period this workforce plan covers, most of the 10% of staff who are over 61 years, will retire.
- 8.10 It is essential that any “single points of failure” posts are identified, and effective succession planning implemented.
- 8.11 18% of staff are below 31yrs. Revenues & Business Support in particular has benefited from a number of Modern Apprentices, some of whom have secured permanent contracts. There is an appetite to increase numbers of Modern Apprentices and explore the MA Framework for other relevant qualifications.
- 8.12 The service acknowledged that Council salaries not being comparable to private sector, can be more of a barrier when seeking to recruit younger staff therefore, it is important that the wider benefits of working for the council are promoted and that the service continues to develop staff and enable routes for career progression in order to attract and retain skilled staff.
- 8.13 The majority of staff (89%) have permanent contracts of employment, with the remaining 11% having temporary contracts, due to either ring-fenced temporary funding for project staff and Modern Apprentices. There is also a number of permanent staff currently in interim posts.
- 8.14 The service currently has a low level of Agency staff use.

## **9. Workforce Actions**

- 9.1 The Resources and Finance service will aim to develop an appropriate workforce by taking forward the Workforce Action Plan. This is available at **Appendix 2**.

Designation: Interim Depute Chief Executive

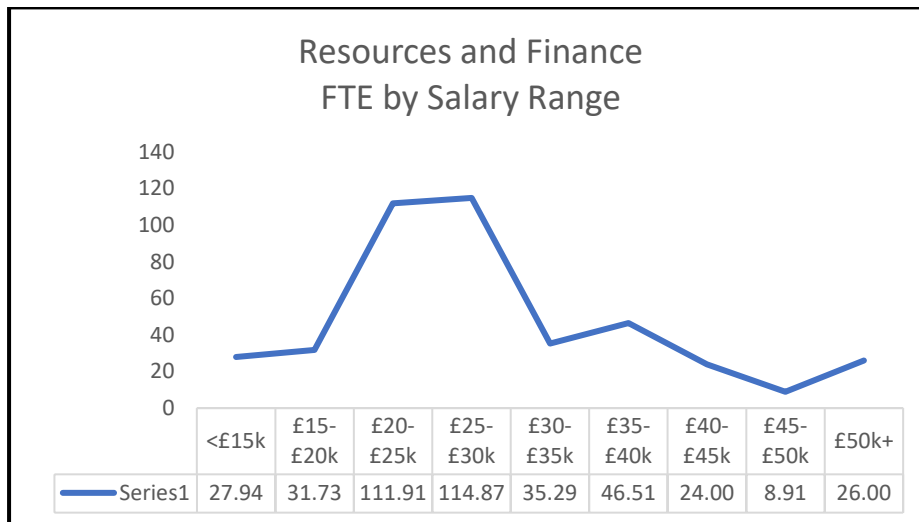
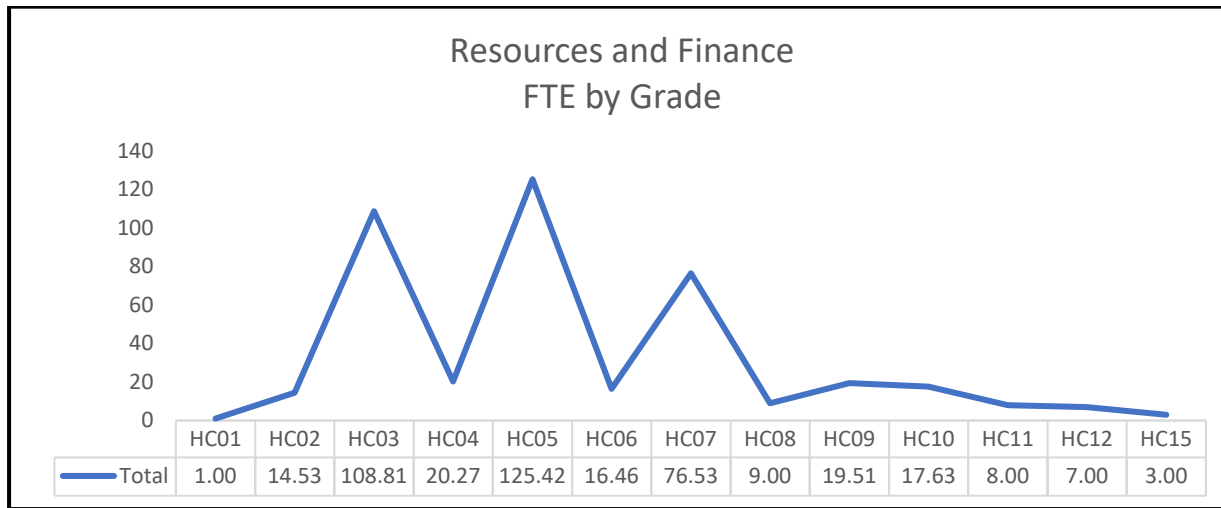
Date: 13 February 2024

Author: Isabel McLellan, HR Business Partner

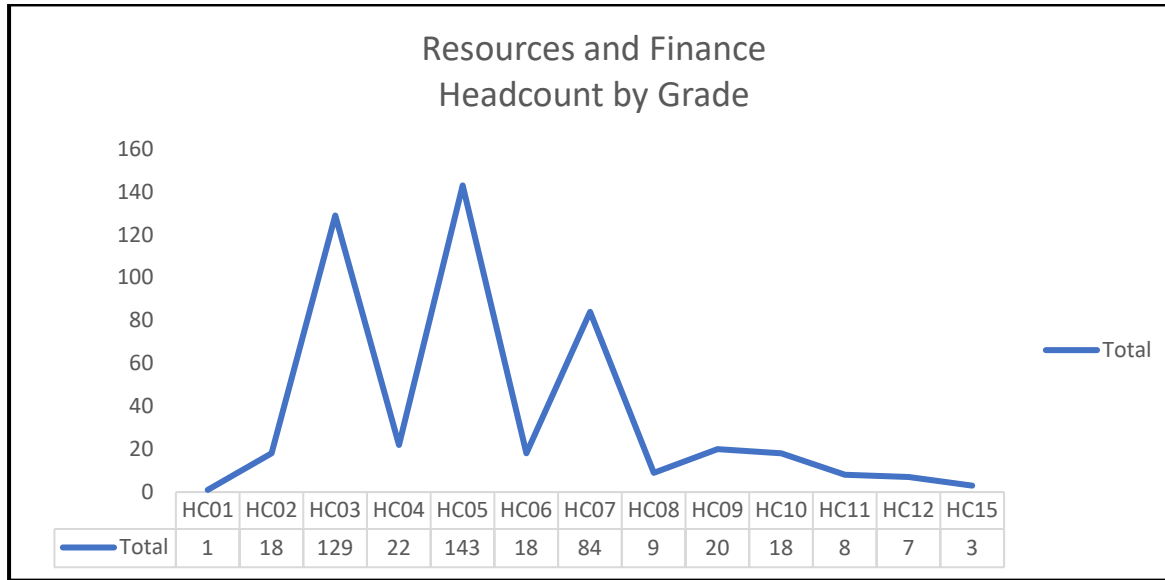
Appendices: Appendix 1: Resources & Finance Service Workforce Data  
Appendix 2: Resources & Finance Workforce Action Plan



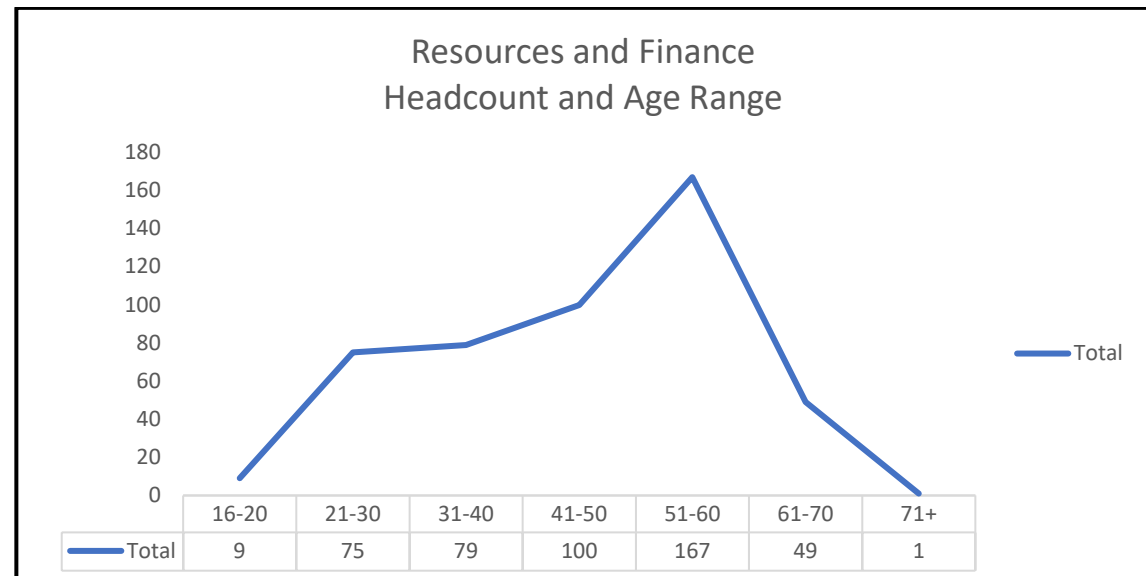
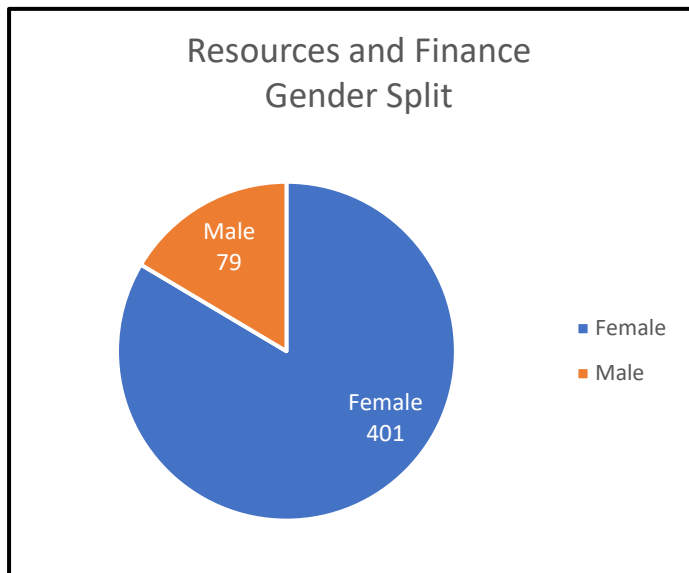
**Appendix 1 – Resources & Finance service workforce data (Q3 23/24)**

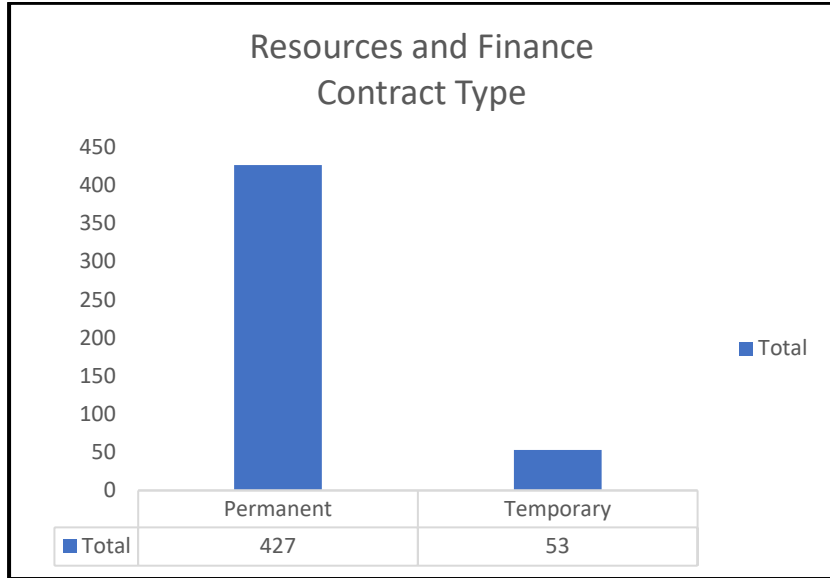


Total FTE = 427.16



Total headcount = 480





#### Year Jan-Dec 2023

Resources and Finance Service	Statistics
Headcount	480
Number of Leavers	38
Turnover Rate	7.9%

## Appendix 2 – Resources and Finance Workforce Action Plan

Action	Desired Outcome	Who	When
<b>1. Service Structure &amp; Roles</b>			
<p>1.1 Review and validate the establishment including vacancies. Monitor and update on a regular basis.</p> <p>1.2 Continue to review post to post reporting on MyView to ensure accuracy.</p> <p>1.3 Review current establishment and in particularly those posts at lower grades to determine if present structure &amp; roles are appropriate to meet corporate programme objectives and, that routes for career development are available.</p> <p>1.4 Continue to engage with HR and MA team to identify available funding for Modern/Graduate Apprentices/placements.</p> <p>1.5 Create more generic job descriptions to allow greater flexibility and movement between different function areas of the service.</p>	<p>Establish a sustainable, cost-effective structure that is fit for purpose and ensures safe and effective service delivery.</p> <p>The structure provides flexibility for staff to move between areas and provides opportunity for development and career progression.</p>	<p>Senior management team with support from HR Business Partner.</p>	
<b>2 Recruitment &amp; Retention</b>			

<p>2.1 Review current job descriptions are aligned to strategic objectives and ensure consistent use of standard template outlining option to work flexibly and promoting staff benefits package.</p> <p>2.2 Consider alternative post titles where appropriate and use positive action statements in order to attract males into predominantly female represented posts.</p> <p>2.3 Liaise with Talent team where required to promote recruitment opportunities using relevant channels.</p> <p>2.4 Explore Trainee/entry level posts where recruitment of fully qualified candidates is challenging (with grade increasing on completion of qualification/training).</p> <p>2.5 Work with MA team to develop promotional information for schools/careers events etc. to showcase R&amp;F service roles and development routes available.</p> <p>2.6 Explore linking up with UHI to identify opportunities for placements/promoting opportunities for graduates.</p> <p>2.7 Review exit interview process to allow earlier engagement.</p>	<p>The service is proactive in identifying and attracting staff with the required skills and positively promotes HC as an employer of choice.</p>	<p>Senior and extended management team with support from HR Business Partner.</p>	
<p><b>3 Staff Skills, Training &amp; Development</b></p>			

<p>3.1 Ensure all staff have an up-to-date Employee Review and Development plan and that this is logged on Traineasy.</p> <p>3.2 Monitor staff completion of mandatory training.</p> <p>3.3 Consider inclusion of digital confidence measure as part of ERD.</p> <p>3.4 Consider group ERDs where this appropriate.</p> <p>3.5 Draft and implement a Service Learning and Development plan informed by staff ERDs.</p>	<p>Staff have completed mandatory training and have opportunity for further development and training.</p>	<p>Senior management team with support from HR Business Partner.</p>	<p>Training stats and ERD compliance reviewed quarterly.</p>
<p><b>4 Staff performance &amp; wellbeing</b></p>			

<p>4.1 Service SMT to review Absence stats on a regular basis to identify causes of absence and work closely with the Attendance Support Officer and Occupational Health to identify any trends and take proactive action where required.</p> <p>4.2 Identify gender split for causes of absence.</p> <p>4.3 Mandate recording of reasons for absence within HR mgt system.</p> <p>4.4 Ensure staff are aware of the Employee Assistance Programme, Mental Health Representatives and other forms of wellbeing support available.</p> <p>4.5 Ensure that all managers have completed the compulsory Mentally Healthy Workplace course.</p> <p>4.6 Provide clarity on the parameters around Hybrid working including the requirement for staff to work core hours.</p>	<p>Substantive and timely support for staff will reduce staff absence, performance issues and improve overall staff wellbeing, ultimately resulting in reduction of cost and turn over.</p>	<p>Senior and extended management team with support from HR Business Partner.</p>	
<p><b>5 Staff Survey</b></p>			
<p>5.1 Monitor corporate and any service specific employee survey (22) actions.</p> <p>5.2 Discuss and develop actions in relation to Wellbeing survey.</p> <p>5.3 Ensure staff are kept informed (regular updates) in relation to surveys.</p>	<p>Staff feel engaged, supported and involved with plans for improvement.</p>		