

Agenda Item	7
Report No	ECI/04/2023

HIGHLAND COUNCIL

Committee: Economy and Infrastructure

Date: 2 February 2023

Report Title: Infrastructure, Environment & Economy Workforce Planning 2022–2025

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1 Purpose/Executive Summary

- 1.1 This report sets out a summary of the Infrastructure, Environment & Economy Service Workforce Plan for 2022–2025.

2 Recommendations

- 2.1 Members are asked to **note** the Infrastructure, Environment & Economy Service Workforce Plan for 2022–2025.

3 Implications

- 3.1 **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** – 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, Rural and Island)** – Targeted recruitment in rural areas (migration and repopulation, especially in 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, other than the hybrid working approach and better use of technology could reduce the need for travel.

3.5 **Risk** – Having a sustainable workforce is included as a risk in the Corporate Risk Register. There are also staffing resource challenges associated with budget constraints. This report mitigates the risk of an insufficient current and future workforce.

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. To manage their workforce 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 there are gaps; and
- what skills and staff will be needed 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 Full Council 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 Infrastructure, Environment & Economy Service to:-

- deliver improved services;
- review how many employees are required;
- manage employee budgets effectively;
- ensure sufficient and appropriate training is provided;
- cope with changes in supply and demand for various skills; and
- deploy/recruit staff appropriately.

4.5 The Infrastructure, Environment & Economy Service Workforce Plan has been prepared using the Highland Council 6-step model as in **Appendix 1**. The plan covers a period of 4 years (2022–2025) and will be monitored and reviewed annually by the Service directorate, supported by the HR Business Partner.

4.6 As part of the workforce planning exercise, the Infrastructure, Environment & Economy Service Extended Senior Management Team undertook focused workshops to analyse the context and environment, the current and required workforce profiles and actions needed to ensure the workforce can meet future demands.

4.7 Following the recommendation from the Workforce Planning Strategy Review Board to take a broader approach to Service Workforce Planning, the sessions were joined by the Service Business Partners for Finance, Corporate Performance, Digital Transformation and the Talent Manager and the HR Business Partner for Hybrid Working.

5 Context and Environment

5.1 The context and environment analysis recognises the political and economic challenges The Highland Council and, therefore the Infrastructure, Environment & Economy Service faces.

5.2 Economic changes cited as potentially having an impact on the Service workforce establishment includes:-

- annual savings target;
- budget cuts to the capital programme;
- financial outlook from anticipated Scottish Government Grants;
- Highland Council salaries compared with private sector;
- increased competition for skilled employees;
- inflation - cost of living increase;
- diverse ringfenced temporary funding sources;
- increased demand for Services; and
- availability/affordability of housing

5.3 There have been several changes in the Service since the last Service Workforce Plan was presented, including the Council's senior management redesign and the transfer of the Climate Change Team from the Infrastructure, Environment & Economy Service to the Performance & Governance Service.

5.4 The Service identified a need to work with staff and Trade Union colleagues to look at establishing a more agile workforce in relation to reviewing current staffing structures, working practices and processes.

5.5 The Service also highlighted the need to strive to provide their staff with a sense of belonging and provide opportunities to motivate, engage and empower the Council's workforce to achieve a working environment based on our 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. It allows managers and staff to communicate expectations and outcomes, and also importantly 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 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 was released in Autumn 2022. The strategy takes an informed approach to laying foundations and setting achievable objectives for becoming a digital council. 'Leading', 'Thinking' and 'Being' Digital are the three key themes of the Strategy, which in turn forms part of the Council's wider agenda for its organisational development. This is a key consideration in workforce planning and organisational improvement, with the Council, staff and service users benefiting from increased efficiencies by developing a culture and mindset that thinks digital.

6 Current Workforce Profile

6.1 The Service has a total of 628 staff and has an average turnover rate of 14%. The staff comprises 78% male and 22% female.

6.2 The Service has many temporary funding streams and fixed-term projects which has resulted in 17% of the workforce being on temporary contracts of employment. A number of staff on such temporary contracts have sought and secured alternative and more secure employment, which has contributed to the 14% staff turnover rate.

6.3 Age profile within the Service is a factor to be considered. There are currently 180 employees (just over 28%) that are younger than 41. 328 employees (over 52%) are 51 years or older, including 87 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 workforce planning report, the majority of the 87 staff older than 61 will retire, which would equate to almost 14% of the current workforce.

6.4 Attendance management is not an issue currently within the Service, with absence rates well below the Highland Council average.

6.5 Agency worker numbers are monitored monthly and managed appropriately. The Infrastructure, Environment & Economy Service have reduced agency usage by 35% from 2021/2022 and the Service look to continue to proactively decrease the use of agency workers.

6.6 There is a recognition that one of the strengths within the Service is specialist expertise. There is a need to ensure the Service has an effective succession planning programme and where appropriate utilise the Modern and Graduate Apprenticeship Scheme. 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 also utilised the Council's Graduate Intern Programme following its launch in 2021, which was supported by the Scottish Government's Young Person's Guarantee Fund. This enabled public sector experience and transferrable skills to be gained through a Council initiative, whilst supporting employment of Highland residents within the Highland Council area.

6.7 The Council's Senior Management Redesign has been completed within the Infrastructure, Environment & Economy Service and this provided opportunities for further restructuring within the Service. This has been carried out in conjunction 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 its Future Workforce Profile, the Infrastructure, Environment & Economy Service Senior Management Team acknowledged the impact that budget outcomes could have on their current staffing resource. Savings targets on staffing costs may also impact service delivery.

7.2 The need to utilise the current workforce as effectively as possible and prioritise service delivery as agreed by Members, is paramount to successful workforce planning.

7.3 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, as well as new ways of delivering services for customers. Structures and roles that enable collaborative working, whilst building agile teams, are therefore a key consideration in workforce planning.

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.

7.4 Building upon the successful utilisation of apprenticeship frameworks to aid Service succession planning will be crucial, considering 14% of the aging workforce will potentially retire within the next 4 years.

7.5 Synergies within the Service and with other Services is an area which will provide opportunities for cross-team/service working. Transition and mobilisation of staff, which supports the corporate transition model, will also provide scope to consider and offer realistic alternatives and options for staff, which would also create more flexibility across teams and Services.

7.6 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 that the development of managers is recognised and supported as a key priority.

Whilst there will also be a focus on obtaining and maintaining statutory and mandatory qualifications and skills, a further strand of training will concentrate on preparing for the future, succession planning and digital development.

7.7 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 Infrastructure, Environment & Economy 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.

The Council has a genuine commitment to employee wellbeing, that is reflected in the Infrastructure, Environment & Economy Service staff loyalty and motivation.

8 Workforce Actions

8.1 The Infrastructure, Environment & Economy Service will aim to ensure they have the appropriate workforce going forward.

This will be achieved through the following actions:-

- continue with the development of an affordable and sustainable workforce;
- identify synergies both within the Service and between Services;
- continue to utilise Modern and Graduate Apprenticeships to support succession planning;
- explore mature digital approaches to service delivery/identify business e-processes to be developed and reviewed; and
- establish training action plan

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 Infrastructure, Environment & Economy

Date: 9 January 2023

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Appendix 1

