

Agenda Item	14
Report No	ECI/23/26

The Highland Council

Committee: Economy and Infrastructure

Date: 28 May 2026

Report Title: Place Cluster Workforce Plan Annual Progress Report

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 In May 2025, Members noted the workforce planning update reports for Housing and Property, Communities and Place, and Infrastructure, Environment and Economy. These individual plans have since been consolidated into a single Place Cluster Workforce Plan, aligned with the Council's new Cluster structure and audit requirements.
- 1.2 During 2025/26, interim management arrangements were in place across the cluster while recruitment was undertaken for the permanent post of Chief Officer for Enterprise and Investment. As a result, the workforce data and analysis, contained within **Appendix 1** of this report is presented across four Chief Officer areas rather than five.

Under these arrangements:-

- Facilities and Fleet Management assumed interim responsibility for Planning, Building Standards and Environment; and
- Housing and Communities assumed interim responsibility for Economic Development and Regeneration

- 1.3 This Annual Progress Report provides an update on a number of workforce planning priorities and progress made during 2025/26 against the Place Cluster Workforce Plan. It highlights key achievements, emerging challenges, workforce trends and priority actions for 2026/27 to ensure the Place Cluster continues to have the right people, with the right skills, in the right place, at the right time.
- 1.4 Over the reporting period, positive progress has been made across a number of workforce priorities including leadership development, structural alignment following completion of the senior management restructure, workforce adaptation to meet service delivery pressures, strengthened succession planning and recruitment pathways, improvements in workforce demographic balance, and continued focus on staff wellbeing, attendance management and retention.

- 1.5 The updated Workforce Action Plan presented within this report builds on the most recent workforce data and reflects priorities identified through workforce analysis, service planning and ongoing engagement with Chief Officers and managers across the Place Cluster.
- 1.6 In response to feedback received from Members on the previous annual update report, the report now places emphasis on the Place Cluster Workforce Plan which can be found within **Appendix 1**.

2 Recommendations

- 2.1 Members are asked to **note** the Place Cluster workforce planning progress report.

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. The impact of failure of statutory service delivery will have a reputational impact, as well as financial implications from any relevant regulatory body.
- 3.2 **Legal** - Care is required that large scale and complex workforce change be managed in line with current employment legislation and Highland Council policy.
- 3.3 **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. The delivery of core and statutory functions will be impacted if the Service is inadequately resourced, and staff do not have the necessary skills to deliver core functions. This report mitigates the risk of an insufficient current and future workforce.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – Staff wellbeing is a priority in the People Strategy, and the Cluster action plans, and this is reflected in the Corporate Workforce Plan.
- 3.5 **Gaelic** - There are no Gaelic implications as a result of this report.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5 Introduction

- 5.1 Workforce planning is critical to support the Council in sustaining a skilled and resilient workforce to deliver statutory and non-statutory services both now and in the longer term. It is integral to service transformation, supports financial sustainability, and enables the Council to respond effectively to demographic changes, labour market challenges and evolving service demands.
- 5.2 The Place Cluster Workforce Plan supports delivery of Our Future Highland Delivery Plan 2024–2027 and the Council’s People Strategy. It provides a structured approach to identifying and addressing workforce challenges across the Cluster, including an ageing workforce, recruitment and retention pressures, skills shortages, service redesign requirements, budget constraints and increasing demand for services.
- 5.3 This Annual Progress Report provides an update on workforce planning activity undertaken during 2025/26 and reports on progress against the actions set out in the Place Cluster Workforce Plan. It sets out key achievements, identifies emerging workforce risks and trends, and outlines priority actions for 2026/27. The report demonstrates how workforce planning continues to support effective service delivery, leadership capacity and longer-term workforce sustainability.

6 Workforce Planning Updates

6.1 Enterprise and Investment

- 6.1.1 James Welsh joined the Council as Chief Officer Enterprise and Investment in April 2026, completing the Place Cluster Chief Officer structure and providing leadership stability for the service.
- 6.1.2 During 2025/26, workforce planning activity continued to focus on strengthening early-career pathways and supporting long-term workforce sustainability. Ongoing engagement with schools, colleges and universities has helped to promote career opportunities across Planning and Building Standards, including Graduate and Modern Apprenticeship routes. Feedback from recent graduates and summer placement participants has been consistently positive. These programmes have supported skills development, strengthened talent attraction and retention, and contributed to a more balanced age profile across the relevant service areas.
- 6.1.3 Recent graduates reported receiving ongoing support from their line managers and mentors, both in undertaking their roles and in completing their studies. While managing competing academic and workplace deadlines was challenging, they felt the advantages of combining work and study significantly outweighed these difficulties. In addition, university lecturers noted a marked difference between graduate apprentices and full-time students, describing the apprentices as more engaged, capable, and work-ready.

- 6.1.4 Recruitment to the Chief Officer post was a significant milestone and has enabled a renewed focus on workforce stability and leadership consistency. Priority areas for 2026/27 include enabling consistent career pathways across all services and exploring professional development and accreditation across other functions.
- 6.1.5 Going forward there will be a continued focus on sharing best practice across management teams to ensure consistency, promote cross-team working and create development opportunities. This will support organisational resilience by enabling individual career progression, strengthening the Council's position as an employer of choice and supporting the attraction and retention of a skilled workforce. For example, introducing early Planning and Building Standards career exposure to Economic, Environmental and Transport Planning functions would support the development of a more well-rounded future workforce.

6.2 **Facilities and Fleet Management**

- 6.2.1 Facilities and Fleet Management has undergone significant structural change during the reporting period including management changes across Catering, Cleaning and Facilities Management (CCFM) bringing the functions together as a single and cohesive service. This has improved coordination and supported the delivery of the Council's CCFM services while also strengthening employee succession planning and career progression.
- 6.2.2 This section continues to lead the integration of Public Transport and Active Travel Services supporting the Council's wider ambitions for sustainable and accessible travel. Activities have also focused on developing the skills, capacity and commercial capability required to deliver an ambitious bus service with a resilient, future-ready model.
- 6.2.3 There has been a focus on building resilience through investment in staff development, driving high performance and the enhancement of commercial awareness. There has been increased encouragement of training and skills development across the services, with some key operational training now delivered in-house. This approach has supported workforce flexibility, reduced reliance on external provision, and helped develop the leadership and commercial skills required to identify and deliver service efficiencies and income-generation opportunities.
- 6.2.4 The Fleet Service has relied on agency workers to maintain service delivery due to critical and hard-to-fill Mechanic vacancies. These recruitment challenges remain a workforce risk and are being actively monitored through the wider Fleet Service recovery plan.
- 6.2.5 Planned improvements for the Corran Ferry are intended to strengthen long-term service sustainability through improved infrastructure, strengthened staffing structures and delivery of a budget recovery plan. These changes are expected to have a positive impact on workforce planning by supporting improved attraction and retention of skilled staff in hard-to-fill roles while reducing reliance on temporary arrangements.

- 6.2.6 Chief Officers for Facilities & Fleet Management and Human Resources & Communications are leading the delivery of the Council's Future Operating Model, which is a person-centred, place based and digitally enabled approach to service delivery. The aim is to make services more accessible, joined up and sustainable in the context of ongoing financial pressures. Rather than organising services around traditional structures, the model focuses on how people and communities experience services with greater integration between council services and partners such as NHS Highland, Police Scotland and the third sector.
- 6.2.7 Going forward, this section identified the need to embed new structures while continuing to explore opportunities for income generation. Cultural improvement has been identified as a priority for 2026/27, and the Senior Management Team are working collectively to agree and implement actions to progress this, with a focus on improving staff morale and levels of engagement.

6.3 **Housing and Communities**

- 6.3.1 Housing and Communities has continued to embed effective learning and development practice alongside implementing structural changes and introducing new roles to respond to evolving organisational and service demands.
- 6.3.2 The programme of restructuring included the redesign of some management roles to balance remits, boost management capacity and improve succession planning. This has supported clearer accountability and improved operational effectiveness. An example of this was aligning Housing and Customer Services which has enabled closer team working, reduced silo working and enhanced customer experience. Customer Services manage 16 service points across Highland and also the Alness Customer Call Centre. Of the 133,251 customer calls they received in 2025/26, 40.4% were related to housing issues and there has been a renewed focus on reviewing customer contact scripts and streamlining processes across teams.

Closer working relationships are being established to support the delivery of the customer experience strategy across Housing Repairs, with a focus on improving first point of contact for tenants. The Repairs Co-ordinators team now operates under a "One Highland" approach and is integrated as a dedicated campaign within the Contact Centre telephony platform. This integration provides enhanced visibility and improved data collection, while enabling tenants to be connected directly to the appropriate team at the first point of contact for existing repairs.

The development of the Customer Experience Strategy also drives the organisation to place customers at the centre of service redesign, and the Service Lead for Housing Policy and Customer Service leads this across the organisation.

- 6.3.3 Staff engagement has been a key feature of the service redesign work, with a series of team workshops undertaken to enable employees to contribute to service and structural design. These sessions have helped to shape revised team structures and new ways of working whilst contributing to a culture of improvement and success. Feedback to HR has been positive, with officers advising of the importance of senior management recognising the need to engage with the officers planning and implementing change rather than just consulting on change.

6.3.4 Continued investment in professional learning and development through the Chartered Institute of Housing and the Chartered Institute of Building demonstrates a strong commitment to succession planning by building employee capability, resilience and career progression across the service. This investment strengthens professional standards and contributes to filling skilled and hard-to-fill roles. Career pathways are being developed to support succession planning and hard to fill roles, highlighting the ability to transfer relevant skills and experience from other roles, teams and services.

The housing talent strategy was shortlisted in the Excellence in Learning and Development category of the Chartered Institute of Housing Awards 2025. This reflected the 32 completed housing qualifications in 2025 and the ongoing efforts of 57 other officers actively working towards a housing qualification in 2026.

6.3.5 Building Maintenance trade apprenticeships are well-embedded within the service and they continue to provide successful opportunities to fill trade vacancies and supporting long-term workforce sustainability. There are currently 26 trade apprentices, and these employees are supported and mentored to apply for permanent positions on completion of the apprenticeship.

6.3.6 Investors in People (IIP) survey feedback has just been shared with the Housing and Communities Senior Management Team. This is currently being considered, and a plan is being developed to hold staff workshops across Highland in order to share the feedback but crucially to develop an action plan to address key themes and support continuous improvement in employee engagement. Once developed this will be reported to a future committee.

6.3.7 The focus for the next phase is to finalise restructures and enable stability for staff, ensure consistent and transparent career pathways across teams, and identify opportunities for further cross-service learning and working.

6.4 **Operations and Maintenance**

6.4.1 Operations and Maintenance has continued to focus on delivering efficiencies through service redesign, including the review of overtime arrangements and standby provision while responding to sustained operational pressures. Work has started on the amalgamation of Roads and Amenities to enhance flexibility, improve resilience and support more consistent service delivery.

6.4.2 Recent turnover in key senior management roles has resulted in the successful appointment and progression of new internal managers, with two managers being promoted into Strategic Lead roles, one in an acting up capacity. This transition period requires a renewed focus on leadership capacity, succession planning, skills transfer and the development of a more sustainable workforce model.

6.4.3 To mitigate the risk of significant skills gaps within the profession, the Environmental Health Service has undertaken a programme of workforce planning activity focused on embedding clear career pathways and structured development opportunities. This has strengthened succession planning, supported professional development and contributed to building a more sustainable and resilient workforce within a service area that is recognised nationally as being difficult to recruit to.

- 6.4.4 Waste Management has continued to deliver service improvements despite ongoing challenges in filling vacancies across operational roles. Persistent recruitment difficulties have resulted in a reliance on agency workers to maintain statutory service delivery and management is actively exploring alternative operating models to improve staff attraction, retention and long-term workforce sustainability.
- 6.4.5 The Operations and Maintenance section continues to experience workforce challenges, including an ageing workforce and the physically demanding nature of many roles. Musculoskeletal absence remains a significant factor and attendance management continues to be a priority.
- 6.4.6 Bereavement Services is at an early stage of reviewing its workforce and organisational structure following recent turnover in key posts. This has presented an opportunity to assess current operations and identify areas for improvement. In addition, the installation of new cremators will necessitate comprehensive staff training, which will be provided by the equipment manufacturer.
- 6.4.7 Future workforce planning activity will focus on completing complex service re-design processes, exploring multi-skilled teams and embedding more flexible deployment arrangements to support both operational continuity and longer-term resilience.

6.5 **Property and Assets**

- 6.5.1 Property and Assets has prioritised leadership development, performance improvement and the alignment of grades following restructuring. This has helped establish clearer accountability, strengthen management capability and support more effective delivery. Improved prioritisation of work programmes has also enabled the service to better manage increasing demand within available resources.
- 6.5.2 The delivery of the Highland Investment Plan continues to require additional capacity and close collaboration with essential partner organisations. To support this, the service is working closely with other Council services, particularly Education and the Future Operating Model to align priorities and maximise the use of shared expertise and resources.
- 6.5.3 Ongoing workforce planning activity is focused on embedding structural stability, strengthening succession planning and improving the attraction and retention of specialist, hard-to-recruit skills to ensure essential outcomes can be delivered sustainably.
- 6.5.4 Graduate apprenticeships and summer placement opportunities have been utilised to support early career development in skilled roles, including Engineers and Surveyors, with both internal and external appointments made to these positions. In addition, cross-service roles have been established to build on existing and essential links with Education Services and to strengthen cross-service working. The development of these opportunities contributes to the creation of future talent pipelines and supports the Council's ambition to be an employer of choice, while helping to remove barriers to achieving this aim.

- 6.5.5 The Property and Assets Section establishment has a complex budgetary position, with a number of posts funded through the Capital Programme. This can present challenges when the service is reviewing structures with the intention to redesign or create new roles. The removal of the salary multiplier has helped to simplify this position; however, further work is required in partnership with Finance colleagues to simplify and clarify the budgeted establishment.
- 6.5.6 Investors in People (IIP) survey feedback has just been shared with the Property and Assets Senior Management Team. This is currently being considered, and a plan is being developed to hold staff workshops across Highland in order to share the feedback but crucially to develop an action plan to address key themes and support continuous improvement in employee engagement. Once developed, this will be reported to a future committee.

7 Leadership Development

- 7.1 As part of its workforce planning priorities, the Place Cluster partnered with BlueSky to deliver a Leadership Development Programme. The programme was limited to 12 places to ensure a focused investment in strengthening management capability and developing future leaders.
- 7.2 This five-day programme was designed to equip leaders with the skills, mindset and confidence required to lead effectively in an increasingly complex and uncertain environment. It focused on developing self-aware, adaptable leaders who can communicate with impact, inspire and coach others, lead change successfully, and drive sustainable performance.
- 7.3 Through a blend of insights, practical tools and applied learning, participants strengthen their personal effectiveness, deepened their understanding of leadership impact, and built the capability to engage teams. The programme emphasised coaching-led leadership, resilience, and people-centred change to ensure Highland Council remains agile and future-ready.
- 7.4 Participants left with increased leadership confidence, clearer purpose, enhanced influence, and practical approaches they could apply immediately to improve engagement, performance, and organisational outcomes within their teams.
- 7.5 Following the success of the programme, a further cohort of future leaders will begin the programme later in the year.

8 Attendance Management

- 8.1 Across 2025/26, absence data demonstrates a clear seasonal pattern, alongside persistently high levels of long-term absence within several operational service areas. Following elevated absence levels in Q1, overall absence reduced during Q2 in line with the summer period, before increasing again in Q3 and Q4, largely driven by short-term sickness associated with winter related viral illness.
- 8.2 Facilities & Fleet and Operations & Maintenance consistently account for the highest volumes of absence. This reflects the physically demanding nature of roles within these services and the prevalence of musculoskeletal and other health-related conditions.

- 8.3 Housing & Communities displays a more variable absence profile, with a notable increase in long-term absence in Q3 following a temporary reduction in Q2.
- 8.4 Property & Assets continues to report comparatively low levels of overall absence across all quarters, with limited long-term absence impact.
- 8.5 While the increase in absence during Q3 was predominantly short-term and seasonal, levels of long-term absence have remained relatively stable across the year.
- 8.6 Long-term absence continues to be driven primarily by mental health and musculoskeletal conditions and represents a disproportionate level of lost working time relative to the number of employees affected. This impact is particularly evident within Facilities & Fleet and Operations & Maintenance.
- 8.7 Analysis of absence trends indicates that proactive intervention is most likely to be effective where long-term absence levels are highest and where short-term absence follows predictable seasonal patterns that can be mitigated through earlier and more consistent management action.
- 8.8 Key proactive intervention measures include:-
- Recruitment of three additional Attendance Support Officers to increase capacity and provide targeted support to managers in managing attendance.
 - Mandatory and earlier referrals to Occupational Health for stress-related absence to ensure timely medical advice and appropriate intervention.
 - Consistent use of structured return-to-work meetings to identify required support, reasonable adjustments and return arrangements.
 - Increased promotion and consistent use of the Occupational Health physiotherapy service to support early intervention for musculoskeletal conditions, reduce the likelihood of absence escalating into long-term cases and support earlier and sustainable returns to work.
 - Formal absence management review meetings undertaken in line with policy to address short-term absence patterns and progress long-term cases.
 - Enhanced training and ongoing support for line managers to strengthen confidence, consistency and capability in managing attendance.
 - Completion and regular review of stress risk assessments to identify and mitigate workplace factors contributing to absence.
 - Targeted management support to address workload pressures and role clarity, reducing the risk of escalation of stress-related absence.
 - Continued promotion and utilisation of the Employee Assistance Programme (EAP), providing confidential access to counselling and mental health and wellbeing support at an early stage.
- 8.9 In conclusion, the analysis highlights the need for continued focus on proactive absence management as a priority recognising its importance in supporting staff wellbeing, maintaining service resilience and reducing the financial impact associated with lost working time.

9 Investors in People

- 9.1 The Highland Council is using the Investors in People (IIP) framework to benchmark, review and strengthen staff experience and engagement across the organisation. The programme has been designed in line with the IIP framework and informed by guidance from the assigned IIP practitioners supporting its delivery.
- 9.2 The programme is being delivered in two phases. Phase One involves the employee survey and accreditation activity and is scheduled to be completed for all cohorts by July 2026. Phase Two will focus on the implementation of action plans to deliver improvements to workplace practices and organisational culture, as recommended through the IIP assessment process.
- 9.3 For the purposes of the employee surveys, the Place Cluster was divided into two groups:-
- Place 1 – Housing & Communities and Property & Assets; and
 - Place 2 – Enterprise & Investment, Facilities & Fleet Management, and Operations & Maintenance

Employee surveys for Place 1 were undertaken during December and January, while surveys for Place 2 are scheduled to take place in May and June 2026.

- 9.4 Both the Housing & Communities and Property & Assets services have recently received their report feedback and have achieved the IIP Standard Accreditation. The senior management teams in both services are reviewing the feedback and making plans for area-based staff sessions to able feedback but more crucially, contribute to developing the action plans to deliver improvements to workplace practices and organisational culture.

10 Conclusion

- 10.1 During 2025/26, the Place Cluster has made measurable progress in delivering its workforce planning priorities, particularly in strengthening leadership capacity, completing key structural changes, and developing more sustainable approaches to recruitment, succession planning and skills development. This has been evidenced through the successful completion of the senior management restructure, targeted leadership development activity, expanded apprenticeship and early-career pathways, and continued investment in professional learning and development across a number of critical service areas.
- 10.2 The report also highlights ongoing and emerging workforce risks, including recruitment and retention challenges within hard-to-fill professions, an ageing workforce in several operational services, and the impact of long-term absence, particularly related to musculoskeletal and mental health conditions. Targeted workforce interventions implemented during the year, such as structured career pathways, improved attendance management arrangements and enhanced management capability, are beginning to mitigate these risks and will remain a key area of focus moving into 2026/27.

- 10.3 Workforce planning activity in 2026/27 will focus on embedding learning from the Investors in People programme, strengthening management consistency, improving communication and engagement, and supporting cultural improvement across services. Priority will also be given to developing flexible, multi-skilled workforce models, reducing reliance on temporary staffing and ensuring training and development activity is closely aligned with future service delivery and financial sustainability requirements.
- 10.4 Overall, the Place Cluster remains committed to delivering the People Strategy by using workforce data to inform decision-making, manage risk and support the effective and efficient delivery of both statutory and non-statutory services. Continued focus on workforce sustainability, leadership capability, staff wellbeing and attendance management will be essential to ensuring the Council has the capacity and skills required to meet current demands and future challenges.

Designation: Assistant Chief Executive – Place

Date: 27 April 2026

Author: Hannah Jones, HR Business Partner

Background Papers: None

Appendices: Appendix 1 – Place Cluster Workforce Plan May 2026

In September 2024, Audit Scotland requested that Service Workforce Action Plans be consolidated in line with the new Cluster Structure.

In response, this Workforce Plan was revised in 2025 to reflect the Place Cluster, bringing together the previously approved (2023) workforce plans for Communities & Place; Infrastructure, Economy & Environment; and Property & Housing.

The business goals and key influences outlined in this report including PESTLE, SWOT and Workforce Analysis remain based on the information gathered during the service workforce workshops conducted in 2023/24.

Updated workforce profile data has been incorporated to provide a current overview of the workforce.

Hannah Jones
HR Business Partner (Place)

GOALS

VISION

An Ambitious Highland

Our Future Highland sets out an ambitious vision for the future, maximising social, economic and partnership opportunities and resources to improve the quality of life for people in the Highlands.

We are crucial in shaping the future growth and sustainable development of the Highlands, fostering a vibrant economy, and enhancing the quality of life for our communities. Invest Highland is an initiative and digital platform led by The Highland Council and partners to promote the Highlands as a top investment destination.

We support economic development through the Highland Outcome Improvement Plan and the Highland Investment Plan, leveraging major funding initiatives and investments as well as smaller community projects.

We are committed to achieving Net Zero Carbon Highland by implementing large-scale initiatives like Scotwind and the Green Freeport, along with renewable energy and hydrogen schemes. Improvements in Active Travel and public transport will be pursued in partnership with public and private sectors.

The Highland Council's Future Operating Model is helping to achieve an Ambitious Highland by modernising how we work, strengthening collaboration and making better use of digital, data and workforce capabilities. This enables the Council to be more responsive, efficient and community-focused, supporting sustainable outcomes for people and places across Highland

A Sustainable Highland

Everything that we do as a Cluster is about the places we serve. Whether about Council houses or any other building that we own, buildings are about more than just bricks and mortar – they are about people and place as well. The built environment and our ancillary supporting services have a significant impact across the Highlands, whether through our housing stock of over 14,000 properties, our depots, schools and several hundred other buildings. We must work together with our communities and our partners – public, private and third sector – to ensure that we create strong, resilient and inclusive communities and provide excellent, value for money services across our diverse communities.

A Connected Highland

We aim to develop a connected workforce demonstrating seamless alignment, collaboration, enhanced communication, and integrated technologies to drive efficiency, innovation, and service excellence for the Highlands.

With over 6,600 kms of roads to maintain, we will continue to deliver services, looking wherever possible at innovation and redesign to ensure efficiency. We will continue to deliver new infrastructure, maintain our network of Harbours, car parks and bridges and work with partners to ensure that the infrastructure challenges for Highland in terms of all modes of transport receive the recognition and investment they deserve.

The Our Future Highland Delivery Plan 2024 – 2027 shows how we will deliver on these commitments, through a major programme of transformation for our people, places and communities, working in collaboration with others to create a vibrant and sustainable Highland area.

This workforce action plan sets out how our vision and goals will be achieved.

GOALS
Short, Medium,
and Long-Term

Goals	Year 1 22/23	Year 2 23/24	Year 3 24/25	Year 4 25/26
Operational and Organisational Restructure				
Workforce development, learning and planning				
Improve staff mental health and wellbeing				
Develop leaderships skills				
Maintain and improve our strong reputation in ensuring Highland remains a great place to live, work and grow				

CUSTOMERS
Current and
future customer
landscape

Customer expectations are increasing with customers requesting a more personalised service and not always between the traditional 9am – 5pm working hours.

The Coronavirus pandemic changed the way customers like to interact with the Cluster with many now wishing to engage by telephone or Teams as opposed to in person.

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. Increasing the diversity of the workforce would assist in understanding various customer needs.

PESTLE

Drivers for Change. (Which external factors are impacting on the level and type of resources that are needed within the service?)

Political	Economical	Social
<p>New administration Greater partnership working expected from local & national government Council Programme & Budget EMT engagement with Members Scottish Government Expectations on service delivery Parochial Politics – local community expectations clash with Council decisions Local Authority boundary review, potentially inclusive of other local authorities FOI and other information requests</p>	<p>Increased cost of living Highland Council Salaries and T&Cs are not always competitive Diverse, ringfenced (sometimes fixed term) funding streams Increasing quality agenda with reduced budgets Inflationary / financial crisis and impact on service delivery i.e. volatility in construction / energy costs Continuing impact of Brexit in relation to loss of staff Loss of or inability to recruit staff especially in more rural areas Loss of staff through increased competition, retirement and cost of childcare making it less viable for staff to continue working</p>	<p>Urban v's Rural (growth vs decline) Availability and affordability of housing Demographics: ageing general population and workforce Delivery and affordability of care homes and also increasing failures falling to public sector Potential increase in homelessness and mental health issues</p>
Technology	Legal	Environment
<p>Greater use of ICT is an opportunity ICT Skills & abilities of staff not always sufficient ICT equipment not always available Digital strategy – work smarter not harder Council systems do not always speak to each other causing unnecessary manipulation and duplication of work Limited availability of training</p>	<p>Changes in legislation impacting across the Cluster Food standards legislation increasing Building Standards legislation increasing with no support/funding HSE Requirements/possible interventions Insurer requirements</p>	<p>Net Zero Expectations Opportunities Passivhaus/Enerfit etc and need to meet these standards New fuel systems for vehicles Single use plastic elimination will have positive effects on Service delivery Opportunities following Covid: reduced travel, New Ways of Working</p>

<p>Software mismatch with external contractors/consultants ICT skills and abilities of customers aren't always sufficient, and they don't always have access to technology Inconsistency with internet/WIFI – availability and speed in rural areas Hybrid working/desk sharing challenges</p>		
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STRENGTHS ANALYSIS

ADVANTAGES

DISADVANTAGES

	STRENGTHS	WEAKNESSES
<p>CURRENT</p> <p>Consider current resource, capability, and performance strengths and issues. What is done well and what areas require improvement?</p>	<p>Experienced, knowledgeable staff MA/GA Programme Sharing of knowledge Strong vision Options for flexible working Cross service working Specialist Services Security of Employment Supportive Environment</p>	<p>Cross Service Working Communication and engagement Access data resource implications High turnover of staff Reactive instead of proactive High pressured work environments IT synchronicity Redesign, (duration / unrest) Lack of training (especially as a result of Covid) Lack of admin support</p>
	OPPORTUNITIES	THREATS
<p>FUTURE</p> <p>Identify potential opportunities and potential threats. What future developments could attract required workforce? Are there potential skills shortages, workforce competition, recruitment or retention issues, or distribution.</p>	<p>Redesign Skills Audit Strengthening working relationships within and cross Clusters Digital strategy implementation New ways of working/hybrid working Creation of career pathways New systems fit for purpose Flexi-time/Flexible Working for Trades Training/staff development opportunities Dialogue with other SLA's to share info e.g. Procurement</p>	<p>Recruitment/retention Limited training opportunities High pressured work environments Communication Increased mental health concerns for staff New Members lack understanding of statutory duties Costs of material, fuel and supplies and delays in delivery Lack of housing for recruited staff Age profile of staff Lack of business/admin support Terms and Conditions, impact on HC options to recruit and retain. Budget</p>

Place Cluster Workforce Dashboard 2025/26

Workforce Data	2024/25	2025/26	Comments
Headcount & FTE	Headcount = 3235 FTE = 2632.93	Headcount = 3340 FTE = 2721.90	Headcount increased by 105 due to bringing services in-house, increased service demand and temporary funding opportunities.
Turnover rate	17%	16%	Fluctuating turnover rate due to amalgamation of service data, retirements, resignation and fixed-term contracts.
Age Profile	54% of staff are 50 years and older 9% of staff are 30 years and younger	51% of staff are 50 years and older 11% of staff are 30 years and younger	The age profile shows a modest shift towards a slightly younger workforce. The proportion of staff aged 50 and over has reduced from 54% to 51%, while the proportion aged 30 and under has increased from 9% to 11%, indicating early progress in attracting and retaining younger employees alongside an experienced workforce.
Demographics	42% of staff are female 58% of staff are male	49% of staff are female 51% of staff are male	The demographics show a move towards a more balanced gender representation. The proportion of female staff has increased from 42% to 49%, while male representation has decreased from 58% to 51%, indicating progress towards greater gender balance across the Cluster workforce.

Attendance Management Q1 to Q3 2025/26

2026/25	Enterprise and Investment	Facilities and Fleet Management	Housing and Communities	Operations and Maintenance	Property and Assets
Employee Headcount	n/a	1614	602	888	249
Employee FTE	n/a	1074	559.71	864.91	241.63
Short Term Absence FTE days lost	n/a	Q2 2090.37 Q3 3122.92 Q4 1982.91	Q2 1099.75 Q3 1443.02 Q4 820.51	Q2 2998.07 Q3 2297.60 Q4 1496.50	Q2 243.40 Q3 286.77 Q4 191.96
Long Term Absence FTE days lost	n/a	Q2 1723.48 Q3 1900.49 Q4 3028.69	Q2 648.60 Q3 1327.39 Q4 1550.48	Q2 1943.00 Q3 2273.00 Q4 3236.64	Q2 126.60 Q3 24.80 Q4 257.18
Top 3 Absence Reasons	n/a	Viral Stress (work and not work related) Musculoskeletal	Viral Broken Bones Stress (not work related)	Musculoskeletal Back pain/sciatica Viral	Viral Blood clot/thrombosis Neurological

Analysis of Place Cluster absence data has identified viral illness, musculoskeletal conditions and non-work-related stress continue to be the primary causes of sickness absence. These themes are being proactively addressed through a coordinated and preventative approach including the effective use of return-to-work interviews, Display Screen Equipment (DSE) assessments, enhanced Occupational Health input and the recruitment of additional Attendance Support Officers enables timely intervention and supports informed decision-making to promote attendance and reduce avoidable absence.

This approach is further strengthened through employee access to an internal physiotherapy service, the Employee Assistance Programme (EAP), mentally healthy workplace training, attendance management training and Employee Review and Development (ERD) meetings. Stress risk assessments covering both work and non-work-related factors together with a focus on courageous conversations and positive workplace culture support managers to have regular, meaningful discussions about health, safety and wellbeing with their teams.

While the increase in absence during Q3 was predominantly short-term and seasonal, levels of long-term absence remained relatively consistent throughout the year. Long-term absence represents a disproportionate level of FTE days lost compared to the number of employees affected. This impact is particularly evident within Facilities & Fleet and Operations & Maintenance.

Quarter 1 data is not shown here due to the change in reporting structure and quarter 4 data was not available at the time the report was written.

Workforce ANALYSIS

WORKFORCE Current	Description	PRIORITY	MEASURES TO ADDRESS
Age profile	<p>51% of staff within the Cluster are 50 years old or older. Expected retirement will continue to result in hard to fill vacancies and loss of experience and knowledge.</p> <p>11% of staff are under the age of 30.</p>	1	<p>Utilise an effective Succession planning strategy and toolkit to mitigate against loss of experience and knowledge.</p> <p>Promote and utilise the MA/GA and trainee programme to mitigate against hard to fill vacancies created through retirement.</p> <p>Develop and support mentorship opportunities.</p> <p>Proactively engage with schools in Highland to promote Place Cluster career options and explore entry level positions.</p> <p>Consider and implement measures for an aging workforce to ensure this group is supported in continued employment.</p>
Demographics	49% of staff in the Cluster are female and 51% are male.	2	<p>Promote family friendly, equality, diversity & inclusion, and flexible working policies.</p> <p>Mandatory equal opportunity and diversity training for employees.</p>
Employment Types	<p>Approximately 25% of contracts within the cluster are either temporary or fixed term, which may contribute to the high turnover rate of staff. Traditionally, temporary and fixed-term contracts are harder to recruit to.</p> <p>Areas of the Place Cluster currently rely on Agency Workers to deliver essential services.</p>	1	<p>Determine where and why fixed term contracts are used and change to permanent contracts where possible.</p> <p>Review the use of agency workers and reduce as part of the Recruitment and Talent Strategies.</p>

	<p>The existing staffing levels require the use of agency workers to provide flexibility to manage long-term absences, vacancies and holidays. A flexible workforce is being applied in areas where the use of agency workers is restricted.</p>		<p>Explore options to create a pool of relief staff for Waste Services.</p> <p>Review staffing establishments to monitor vacancy levels.</p> <p>Introduced agency worker driver framework to manage associated costs.</p>
<p>Recruitment and Retention</p>	<p>Recruitment is a significant problem for parts of the Cluster. Repercussions from Brexit, lower salaries when compared to the private sector, housing shortages, 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.</p> <p>The Cluster has a turnover rate of 16%. Improved staff retention will decrease the number of (hard to fill) vacancies.</p>	<p>1</p>	<p>Implement the Recruitment and Talent Strategies.</p> <p>Develop and utilise effective succession planning and career pathways.</p> <p>Trial new and creative recruitment activities e.g. LinkedIn, professional publication, radio and social media advertising.</p> <p>Develop and promote Modern Apprentice and Graduate Development Programmes.</p> <p>Work with schools to identify Place Cluster career opportunities making particular use of any MA/GA and entry level positions for school leavers.</p> <p>Discuss with UHI the possibility of developing Place related courses to mitigate against the future workforce moving away from the Highlands.</p> <p>Review longstanding vacancies and determine if the role and/or work can be done differently.</p> <p>Use exit questionnaires and interviews to analyse and understand the reasons for staff leaving the service.</p>

			Promote the use of the induction and ERD processes to managers.
Staff Development	<p>The Coronavirus pandemic had a negative impact on the development of staff across the organisation - courses and training were simply not available.</p> <p>Up to date skills and knowledge are a priority to enable staff to respond to changing needs and changes in policies, guidance, practice and regulations/legislation.</p> <p>Meeting development requirements and supporting an evolving workforce to ensure the long-term success of the Cluster requires strong leadership capability at all levels of management. As such, the development of managers must be recognised and actively supported as a key strategic priority.</p>	1	<p>Draft and implement Cluster and Section Learning and Development plans and career pathways.</p> <p>Development of Newly Appointed Employee Survey - positive feedback but highlights improvement required in induction. 48% 44 or under. 94% of respondents would recommend Highland Council as an employer. New quarterly survey.</p> <p>Working with Employability to expand access to work for people who are distanced from work.</p> <p>Development of Guidance for Roles with a Qualification Pathway.</p> <p>Creation of the ICT Digital Champions Network.</p>
Staff wellbeing and performance	<p>Effective attendance management enables staff to return to work at the earliest opportunity and avoids further absence by team members who absorb additional workload.</p> <p>Viral, stress (non-work related) and musculoskeletal problems are the top reasons for long term sickness absence within the Cluster and this is being proactively addressed.</p>	1	<p>Refresh management knowledge of the attendance management and performance management policies, guidance and processes.</p> <p>Work closely with the Attendance Support Officers and Occupational Health to identify trends and proactively seek to reduce absences.</p> <p>Ensure that all staff have an up-to-date Employee Review and Development plan which includes Staff wellbeing and DSE assessments.</p> <p>Make staff aware of the Employee Assistance Programme and Mental Health First Aiders.</p> <p>Ensure that all managers have completed the compulsory Mentally Healthy Workplace course.</p>

			<p>Promote the use of the stress management toolkit, including the individual and group stress risk assessments.</p> <p>Managers encourage the use of the physiotherapy service where appropriate.</p> <p>Managers to ensure health and safety best practice is shared with staff by appropriate training and toolbox talks.</p> <p>Monitor Health and safety data and report trends to the quarterly health and safety partnership meeting.</p> <p>Introduce violence and aggression reporting and employee support.</p>
Structure and Roles	<p>The Cluster senior management structure was reviewed with the creation of five new Chief Officer posts. All five posts have now been filled.</p> <p>Given the current and forecasted budget challenges, the Cluster has reflected on what, where and how sections are to be delivered to best utilise the existing workforce.</p> <p>The cluster structure review is ongoing to identify further opportunities for service delivery efficiencies and alignment of teams within the new chief officer sections.</p>	1	<p>Review current establishments and structures to determine if the current arrangements are sufficient to meet changing service delivery requirements.</p> <p>Engage with Trade Union representatives in accordance with the Engagement and Partnership Working Framework.</p> <p>Working with Finance colleagues to ensure structures are within budget and associated savings are achieved.</p>
New Ways of Working	<p>The Coronavirus pandemic brought to the fore the opportunity to take forward new ways of working for staff as well as new ways of service delivery.</p>		<p>Identify and understand Service Requirements and how these can accommodate a blended way of working.</p> <p>Identify office space that is fit for purpose.</p>

Recognising the corporate priority of asset rationalisation, managers must ensure work locations (depots and offices) are fit for purpose and promote employee wellbeing.

The recent staff survey showed that almost 70% of staff within the cluster confirmed that working from home was generally a positive experience for them. There are staff members who still prefer to work in an office environment full-time, and others who enjoy a mix of both.

Teams to complete and review the team agreement documents about ways of working.

Development of the Future Operating Model.