

Agenda Item	11
Report No	RES/23/26

The Highland Council

Committee: Corporate Resources

Date: 4 June 2026

Report Title: Corporate Cluster Workforce Action Plan – Annual Update

Report By: Assistant Chief Executive – Corporate

1. Purpose/Executive Summary

- 1.1 In June 2025, Members noted the Corporate Cluster workforce planning report. This was the first Cluster report, following the consolidation of the Chief Executive, Resources & Finance and Corporate Governance Service reports into a Corporate Cluster Workforce Plan, aligned with the Council's new Cluster structure and audit requirements.
- 1.2 This Annual Progress Report provides an update on a number of workforce planning priorities and progress made during 2025/26 against the Corporate Cluster Workforce Plan. It highlights key achievements, emerging challenges, workforce trends and priority actions for 2026/27 to ensure the Corporate Cluster continues to have the right people, with the right skills, in the right place, at the right time.
- 1.3 Over the reporting period, positive progress has been made across a number of workforce priorities including senior management restructures, policy reviews, improved data, strengthened succession planning, recruitment pathways, and continued focus on staff wellbeing, attendance management and retention.
- 1.4 The updated Workforce Action Plan (**Appendix 1**) 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 Corporate Cluster.

2. Recommendations

- 2.1 Members are asked to:
 - i. **Note** the Corporate 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 policies.
- 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 because 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 Corporate Cluster Workforce Plan supports delivery of Our Future Highland Delivery Plan 2024–2027, the Council’s People Strategy and is supported by the Talent Management action plan. 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 Corporate Cluster Workforce Plan, setting out key achievements and identifying emerging workforce risks and trends.
- 5.4 The Corporate Workforce Plan was developed for the 2025–2026 period, and a new plan is scheduled to be presented to the Resources Committee in June 2027.

6. Workforce Planning Updates

- 6.1 The review of the senior management structure for the Corporate Cluster is complete, balancing remits, increase management capacity and improve succession planning. Almost all Strategic Leads were appointed internally, creating promotion and development opportunities for Highland Council employees. The Strategic Lead for Corporate Finance is currently unfilled.
- 6.2 Recruitment is underway to replace two Chief Officers retiring in August 2026 and January 2027.
- 6.3 During 2025/26, workforce planning activity continued to focus on strengthening early career pathways and supporting long-term workforce sustainability, including Modern Apprenticeship routes. The Corporate Cluster participated in the summer placement pilot 2025 and offers more placements in 2026 – see paragraph 6.6.4.
- 6.4 Going forward, there will be a continued focus on Recruitment and Retention, supported by the Talent Management Strategy which was approved by Committee in March 2025. Other priorities are the implementation of the Learning and Development Strategy, staff wellbeing and absence reduction, the implementation of the Investors in People action plan and Succession Planning.

6.5 Corporate Cluster

- 6.5.1 The FTE and Head Count has remained nearly the same in the last year, with 760FTE and a Headcount of 821.
- 6.5.2 The age profile showed a small change, from 45% of staff being 50 year or older in 2024/2025, to 42% in 2025/2026. Turnover reduced from 8.4% to 7.5%, indicating that the Cluster retained more employees than in the previous year.
- 6.5.3 The Corporate Cluster was the first Cluster to start their Investors in People accreditation, with Legal and Corporate Governance piloting iIP. All Services in the Cluster have now completed their assessments, with an average response rate of 83% and received their standard accreditation. Feedback from the survey showed that Staff are largely happy in their roles and recommend the Council as a great place to work. Improvements are identified around communication, change management, induction and the ERD process. All feedback is collated in an action plan, and implementation will be supported by a Champions network consisting of Corporate Cluster employees from all levels.

6.6 **Recruitment and Selection**

- 6.6.1 As reported previously, Recruitment and Retention is not a problem on the same scale as it is for other Clusters in Highland Council, however there are Corporate areas where it is difficult to attract suitable candidates. Business Solutions has been successful in attracting specialist roles but there are some challenges around recruiting managers.
- 6.6.2 Difficulty in recruiting specialists is experienced specifically in Finance, Safety, Health and Emergency Planning (SHEP) and Legal and Corporate Governance. More recently however, recruitment to the SHEP team has been successful, due to the creation of a cross-service role and renewed interest in the service. Recruitment to clerical posts within Revenues and Commercialisation has been challenging, with other employers potentially being more attractive to candidates.
- 6.6.3 As part of the Talent Strategy and in addition to the Equal Opportunities Policy, an Equality, Diversity and Inclusion Policy is being developed, outlining the Highland Council approach to embedding equality, diversity, and inclusion (EDI) across all areas of our work and service delivery. The Talent Strategy includes actions to further brand the Highland Council as an employer of choice.
- 6.6.4 The Corporate Cluster participated in the summer placement pilot 2025 and offered nearly half (14 of the 34) Highland Council's placements in 2026. Summer placements offer senior secondary students four weeks paid work experience and aim to position Highland Council as a potential future employer of choice. In addition to the Modern Apprenticeship programme, these opportunities contribute to the creation of future talent pipelines.
- 6.6.5 A new survey has been developed and issued to all new starters on a quarterly basis. Its purpose is to gather feedback on candidates' experiences of the recruitment and induction process, with a view to identifying and implementing improvements where needed. The first survey was distributed in March 2026 to 300 new starters and achieved a 20% response rate with an equal representation from all Clusters. Of those who responded, 92% reported that the recruitment process was a positive and welcoming experience. However, feedback highlighted opportunities to improve the onboarding process, particularly in relation to access to IT systems and training, plus information on HR policies and the organisation structure. These issues were raised by respondents in all three Clusters. Overall, 95% of respondents indicated that they would recommend The Highland Council as an employer, representing a very positive benchmark.
- 6.6.6 Highland Council trialled LinkedIn for recruitment over a six-month period, but the evidence indicates it is not effective at present but will be kept under regular review.

6.7 **Absence Management and Staff Wellbeing**

- 6.7.1 Sickness absence continued to rise, reaching an average of 10.16 days lost per employee within the Corporate Cluster (up from 9.24 days in 2024/2025). This trend is reflected not only across Highland Council but also at a national level.

- 6.7.2 As part of the Council's budget for 26/27, new annual recurring investment for an additional three Attendance Support Officers was approved in addition to the two existing ASO's. Appointments have been made and their role is to analyse absence data, identify trends and reasons for absence, and provide tailored absence management support to managers.
- 6.7.3 Viruses remain the primary cause of absence within the Corporate Cluster. To address this, flu vaccinations (with funding approved as part of the Council's budget for 26/27) will be offered to all employees in 2026 on a voluntary basis.
- 6.7.4 Senior management continues to prioritise mandatory Absence Management training, with completion rates at the end of April being 86%.
- 6.7.5 The Occupational Health, Safety and Wellbeing team continues to provide a wide range of wellbeing support for staff and managers. The team is actively raising awareness of the available support by promoting their website, helpline, the mental health first aiders and the Employee Assistance Programme.
- 6.7.6 The need for continued focus on proactive absence management will be a priority, recognising its importance in supporting staff wellbeing, maintaining service resilience and reducing the financial impact associated with lost working time.

6.8 **Hybrid working**

- 6.8.1 It is recognised that hybrid working offers a better work/life balance for many employees, which can support their wellbeing and helps recruitment and retention of staff.
- 6.8.2 The revised Flexible Working Arrangements Policy was implemented in 2026, with the aim to provide an approach that modernises the way we work and breaks down traditional barriers by creating a collaborative, engaged and efficient work force. The application of this policy will provide a flexible, connected and sustainable environment for staff and a framework aligned to organisational values, customer service and employee engagement.
- 6.8.3 The Corporate Cluster recruitment aims to be Highland-wide where possible, rather than focused only on HQ.
- 6.8.4 The Future Operating Model (FOM), aims to ensure a more efficient, sustainable, shared, and future-ready way of working across the organisation. As part of FOM, engagement has taken place with staff to get insight in their place of work and their commute, and this information will inform how we improve work bases including the creation of touchdown spaces, while reducing avoidable travel in support of the Highland Council's Net Zero ambitions.

6.9 **People Development**

- 6.9.1 The newly developed Learning and Development Strategy focuses on mandatory training (reducing volume and improving content) and the introduction of a Training Oversight Working Group which is designed to improve engagement with Clusters to

ensure that training programmes meet the needs of the Clusters. The Employee Review and Development template will be improved and further digitalised.

- 6.9.2 Improving digital skills is a priority and the Highland Council has 204 Digital Champions, including 69 (34%) in the Corporate Cluster. This builds on the continued success of Digital Bites on Viva Engage, which attracts an average of 2,000 staff visits each month. The platform provides a space for colleagues to ask questions, share tips and tricks, and learn from bi-weekly Digital Bites published by the Digital team and People Development. The Digital Strategy will be refreshed in alignment with Scotland's Digital Strategy, with completion planned for Autumn 2026.
- 6.9.3 The use of Artificial Intelligence (AI) has increased significantly, particularly over the past year. While it is difficult to predict the extent to which AI will shape the organisation and workforce in the near future, its impact is inevitable. Management will need to take a proactive approach to recognise both the opportunities and challenges it presents. In anticipation, the Digital Team has developed guidance to support the appropriate use of AI and the [AI Policy](#) was approved by Corporate Resources Committee in March 2026.

7. Conclusion

- 7.1 During 2025/26, the Cluster has made positive progress in delivering its workforce planning priorities with further detail in **Appendix 1**. The slight shift towards a younger workforce demographic Council-wide is encouraging.
- 7.2 The report also highlights ongoing and emerging workforce risks, including recruitment and retention challenges within hard-to-fill professions and the impact of increased absence. Targeted workforce interventions implemented during the year, such as structured career pathways, improved attendance management arrangements and enhanced management capability are now in place to mitigate these risks and will remain a key area of focus moving into 2026/27.
- 7.3 Workforce planning activity in 2026/27 will focus on embedding learning from the Investors in People programme, strengthening management development, improving communication and engagement, developing Cluster values, cross Service working and collaboration, and improved induction programmes.
- 7.4 Overall, the Corporate 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 – Corporate

Date: 7 May 2026

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Background Papers: People Strategy update report

Appendices: Appendix 1 – Corporate Cluster Workforce Action Plan

WORKFORCE ACTION PLAN Corporate Cluster 2025-2026 – Updated June 2026

WORKFORCE CHALLENGES PRIORITIES	ACTIONS REQUIRED	DESIRED OUTCOMES	WHO	WHEN	Update June 2026
Age profile					
45% of all staff is older than 50 (reduced to 42% in 2025/26)	<ul style="list-style-type: none"> - Implement succession planning toolkit including age profile - MA and trainee programme - Identify 'single points of failure' and mitigate - Implement measures for aging workforce to support continuing employment 	<ul style="list-style-type: none"> - Sufficient staff numbers and no skills shortages/gaps in the future. - A better balanced age profile where possible - Reduced number of 'single points of failure'. 	Senior management, HR BP, MA centre, Occupational Health, Safety and Wellbeing team	The succession planning toolkit is available and target date for full implementation is June 2026.	<p>Senior managers have been provided with the succession planning toolkit and met with HRBP to identify key roles, potential recruitment challenges and skills gaps plus mitigation/succession planning opportunities. Succession planning toolkit training and guidance is developed and available on Traineasy.</p> <p>It is expected that the first shared apprenticeship with Highlife Highland will be launched in 2026.</p>
Recruitment and Retention					Update June 2026

<p>Recruitment challenges and difficult to recruit posts.</p> <p>Cluster turnover is 8.4% (reduced to 7.5% in 25/26)</p> <p>Some resignations are avoidable.</p>	<ul style="list-style-type: none"> - Analyse data to further identify difficult to recruit post and apply different recruitment strategies to mitigate - Analyse exit questionnaires to resolve avoidable reasons for resignation. - Build on existing trainee programmes, MA and 'grow our own. - Refresh job descriptions and job titles to attract suitable candidates. - Review induction programme - Implement talent attraction strategy. - Recruitment and selection (R&S) guidance to be refreshed. - Explore mentoring role for those looking at phased retirement - Analyse exit questionnaires to identify reasons for leaving and put improvement in place where possible. Anonymised, quarterly reports are provided. - Increase school events/job fairs. 	<ul style="list-style-type: none"> - Highland Council is employer of choice, resulting in fewer difficult to recruit posts. - Right people at the right time with the right skillset now and the in the future. - Grow our own reduces the need to advertise externally. - Reduce turnover to avoid skills gaps - New recruits feel welcome and connected. 	<p>Senior management, HR BP, Talent Manager.MA team</p>	<p>The talent strategy was approved by committee in March 2025 and should be applied going forward.</p> <p>The analysis of the recruitment data will be completed in May 2025.</p> <p>Relating projects from the My Highland Future portfolio ongoing.</p> <p>The R&S guidance to be refreshed.</p>	<p>The Talent Action Plan well underway, an update report is provided to Resource Committee June 2026.</p> <p>Turnover for the Corporate Cluster reduced from 8.4% to 7.5% in 2025/2025</p> <p>Job descriptions are refreshed prior to recruitment.</p> <p>New starts survey has been developed, collating information about the recruitment processes and induction to inform possible improvements to recruitment and onboarding.</p> <p>The recruitment guidance was updated in 2025, including more focus on the applicant experience.</p> <p>Weekly refreshed recruitment data is now available, giving</p>
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					<p>insight in number and location of internal and external vacancies advertised, number of applicants and re-advertisement to inform more tailored recruitment strategies.</p> <p>Next step is to triangulate the recruitment data with sickness absence data, new start and exit survey data and workforce planning data.</p> <p>Exit interview questionnaires are now sent before leaving date to enhance return rate.</p> <p>The Corporate cluster participated in the Paid Summer Placements pilot in 2025, and offered 14 of the 34 Paid Summer placements for the summer of 2026.</p>
Staff development	Actions required	Desired outcomes	Who	When	Update June 2026

<p>Skills gap analysis need to be improved, which is also an action from the Audit Scotland Workforce Planning audit report.</p> <p>Detailed skills gap analysis allows management to put measures in place to mitigate.</p> <p>Lack of staff development or career progression are given as reasons for leaving Highland Council employment.</p>	<p>Implementing the succession planning toolkit to assists with the skills gap analysis.</p> <p>Allocate existing learning and development budget and complete a Cluster L&D plan, informed by staff ERDs.</p> <p>ERDs help managers and staff to identify development needs/wishes and the newly appointed career coach can support with identifying development opportunities, matched with areas where we experience skills gaps. Ensure that all staff have up-to-date ERD that is logged on Traineasy.</p> <p>Continue to expand the internal face to face and online learning modules.</p> <p>Equip staff with digital skills. Leading, thinking and Being Digital are the three key themes of the Council's digital strategy.</p> <p>Monitor staff completion of mandatory training.</p> <p>Review current establishment and determine if present</p>	<ul style="list-style-type: none"> - Staff have the skills and competencies required for their current role and future service delivery and feel confident to undertake their role. - Staff remain in Council employment because they experience development opportunity and career progression - L&D budgets are used strategically 	<p>Management, HRPB, People Development, Career Coach, Digital Transformation</p>	<p>Skills gap analysis using succession planning toolkit and ERDs and further WFP workshops, completed June 2026.</p> <p>Strategic Cluster Learning and Development plan drafted in line with available budgets: June 2026.</p> <p>Establishment review: December 2026</p>	<p>The Succession planning toolkit provide information on (future) skillsgaps.</p> <p>Skills gap are mainly identified for specific posts, not resulting a strategic cluster Learning and Development plan. However, an L&D strategy was developed, including a Training Governance Group to engage with Clusters, ensuring delivered training meets Cluster needs.</p> <p>Highland Council trained 204 Digital Champions, including 69 in the Corporate Cluster.</p> <p>New guidance on qualification pathways and a revised secondment policy was launced this year, enhancing opportunities to grow our own.</p>
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	<p>structure and roles offer routes for career development.</p> <p>Create more generic job descriptions to allow greater flexibility and movement between different areas.</p>				<p>The Secondment Guidance was revised in January 2026 to encourage more cross council development opportunities.</p> <p>The number of ERDs and compliance of mandatory training are now reported on in senior management teams.</p> <p>New Learning and Development strategy was developed and will be rolled out from June 2026.</p>
Structures and roles	Actions Required	Desired Outcomes	Who	When	Update June 2026
<p>The three Depute Chief Executive (exl climate change), Performance & Governance and Resources & Finance Services are since April 2024 combined in the newly formed Corporate Cluster.</p> <p>All new Chief Officer posts have been</p>	<p>Restructures have taken place in Corporate Finance and Digital Solutions. Review of other parts of the Cluster to take place, including a review of the management layers below the Chief Officers.</p> <p>Opportunities to improve service delivery have been identified and should be implemented following business cases.</p>	<p>Establish a sustainable, cost effective structure that is fit for purpose and ensures valued service delivery.</p>	<p>Senior management, HR BP.</p>	<p>December 2025</p>	<p>The senior structure in the remaining Services in the Cluster have been reviewed. Strategic Lead posts were created in each Service to strengthen the structure for the future and reduce the span of control,</p>

<p>appointed to in the last 12 months.</p> <p>The Chief Officers span of control/direct reports vary significantly and needs further review.</p> <p>A review of the next management layer is underway.</p>	<p>Review if current job descriptions are aligned to strategic objectives.</p>				<p>allowing the Chief Officers to focus on their core responsibilities.</p> <p>Job descriptions are refreshed when needed for recruitment.</p>
<p>Staff Wellbeing and Performance</p>					<p>Update June 2026</p>
<p>Sickness absence has increased in the last three quarters of 2024/25.</p>	<p>Ensure that all managers complete the mandatory Attendance management e-module.</p> <p>Managers to review absence stats on a regular basis to identify causes and trends, and continue to work closely with the Attendance Support Officer and Occupational Health to identify trends and active proactive to reduce absence</p> <p>Ensure that all staff have an up-to-date ERD which includes staff wellbeing.</p> <p>Continue to make staff and managers aware of support available, for example the</p>	<p>100% compliance with the mandatory training or managers</p> <p>90% staff have has an ERD in the last 12 months.</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 turnover.</p>	<p>(senior) management, HR Officers, Attendance Support Officer, OHS&W team, People Development team</p>	<p>Maximum compliance mandatory training and 90% compliance ERDs by December 2025</p>	<p>Three additional Attendance Support Officers were approved at the Full Council budget meeting in March 2026 to enhance managers support around sickness absence management.</p> <p>liP: all Services in Corporate Cluster were awarded accreditation and the cluster is currently in the process of drafting their action plan and setting up their champion network.</p>

	Employee Assistance Programme, the Mental Health Representatives, and other tools and advice provided on the Health and Safety website.				The Health, Safety and Wellbeing teams continues to promote health and wellbeing support available through their website, helpline, the Mental Health first aiders and the employee assistance programme.
Hybrid Working	Actions	Desired Outcomes	Who	When	Update June 2026
The pandemic caused an immediate shift from working in an office to working from home. Hybrid working is the norm for many office based staff. There is no 'one-size-fits-all' going forward but need for clear guidelines/policies to ensure equality was identified.	<p>Complete clear guidance on flexible and Hybrid working</p> <p>Review available office space and make fit for purpose to accommodate collaborative working.</p> <p>Work with teams to complete the team agreement documents about ways of working and review regularly</p>	Effective match between work requirements and staff preference to enhance service delivery and staff wellbeing.	(Senior) management, HR, Reconfiguring our asset base PortFolio	Guidance complete June 2025.	<p>The revised Flexible Working Guidance has been implemented and communicated.</p> <p>Recruitment aims to be Highland-wide where possible, rather than focused only on HQ.</p> <p>As part of the Future Operating Model, a staff-wide survey was conducted to better understand hybrid working patterns, travel needs, and related arrangements.</p>

