

Agenda Item	19
Report No	RES/47/17

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 30 August 2017

Report Title: Workforce Planning Strategy 2017-23

Report By: Depute Chief Executive / Director of Corporate Development

1. Purpose/Executive Summary

- 1.1 At Finance, Housing and Resources Committee on 26 February 2016, members agreed a number of actions to support effective workforce planning. This work was progressed and members scrutinised the first cycle of Service Workforce Plans and Service Learning Plans at the relevant Strategic Committees.
- 1.2 In order to support the second cycle of Service workforce planning it is proposed to agree and implement a Council wide, Corporate Workforce Planning Strategy. The aim of the strategy is to deliver the work streams required to ensure that the Highland Council can transition from our current position to build and maintain the workforce of the future.

2. Recommendations

- 2.1 Members are asked to:
 - i. Agree the Corporate Workforce Planning Strategy 2017 - 23.

3. Background

- 3.1 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. In November 2013 Audit Scotland published the audit report [Scotland's Public Sector Workforce](#). The aim of the audit was to assess if public bodies are effectively managing changes to their workforce. Based on a review covering the period March 2009 to March 2013 the report made a number of key recommendations.
- 3.2 In response to this audit, at Finance, Housing and Resources Committee on 26 February 2016, members agreed a number of actions:
- i. A consistent approach to workforce planning should be implemented across all Council Services. Plans at Council, Service and Section level should be integrated and presented in a consistent format.
 - ii. Workforce plans should forecast expected staff numbers, skills needs and cost on a basis consistent with the Council's budget planning process and timetables. They should monitor the age of our workforce and prepare for peaks in departures from employees leaving due to retirement.
 - iii. Workforce plans should be prepared by Services as part of the long term budget planning process, to help support budget decisions and service planning, in partnership with the trade unions, and scrutinised by elected members.
 - iv. The Head of People and Transformation should develop guidance, toolkits and template reports to facilitate workforce planning.
- 3.3 This work was progressed and members scrutinised the first cycle of Service Workforce Plans and Learning Plans at the relevant strategic committees. In order to support the second cycle of Service workforce planning, it is proposed to agree and implement a Council wide Workforce Planning Strategy.

4. Corporate Workforce Strategy.

- 4.1 The proposed Corporate Workforce Strategy recognises that our most important resource is our people. This strategy has been developed in parallel with the Highland Council's medium-term financial plan; it supports the need to shape our workforce in an incremental manner.
- 4.2 This strategy is expected to set the course for the Council for the next five-year period. However, it will be reviewed annually at the start of each workforce Planning cycle to ensure that the vision, principles, themes and objectives remain consistent with the political, economic, social, technical, legal and environmental direction of the Council as an organisation. The Strategy is designed to put in place the objectives that will be required to support workforce planning conducted by services.

- 4.3 In order to ensure strategic alignment with other initiatives, the annual workforce plans conducted by the Services will be aligned with other strategies, before a corporate workforce plan is agreed at the end of the annual cycle.
- 4.4 Culture change through upskilling and leadership development will allow the Highland Council to deliver the type of transformational change required to meet the challenges ahead. This strategy consists of a portfolio of enabling projects that can be adapted to meet changing needs as requirements develop.
- 4.5 Our approach will reflect the need to attract, train and retain workers, ensuring that these opportunities are open to those in our most disadvantaged communities; we will work with partners to achieve this collaboratively wherever possible. The programme is designed to be agile and will be reviewed at the end of each annual workforce planning cycle.
- 4.6 The aim of the strategy is to deliver the work streams required to ensure that the Highland Council can transition from our current position to build and maintain the workforce of the future.

5. Implications

- 5.1 *Resource* – A failure to manage workforce planning and change puts at risk the Council's capacity to make most effective use of resources
- 5.2 *Community (Equality, Poverty and Rural), Gaelic, Risk and Climate Change/Carbon Clever* – Effective workforce planning support the Council to deliver policy outcomes in these areas.

Designation: Depute Chief Executive / Director of Corporate Development

Date: 21 August 2017

Author: Steve Walsh, Head of People and Transformation

Background Papers:

The Highland Council

Workforce Planning Strategy 2017-2023

Foreword

This Corporate Workforce Strategy recognises that our most important resource is our people. This strategy has been developed in parallel with the Highland Council's medium-term financial plan for 2017-2023; it supports the need to shape our workforce in an incremental manner.

Based on our values, the strategy underpins our stated commitment to avoid compulsory redundancies wherever possible and will follow a set of guiding principles; it will be objective-led and focus on the Council's strategic change programme; with the development of our workforce at its core.

Culture change through upskilling and leadership development will allow the Highland Council to deliver the type of transformational change required to meet the challenges ahead. This strategy consists of a portfolio of enabling projects that can be adapted to meet changing needs as requirements develop.

Our approach will reflect the need to attract, train and retain workers, ensuring that these opportunities are open to those in our most disadvantaged communities; we will work with partners to achieve this collaboratively wherever possible. The programme is designed to be agile and will be reviewed at the end of each annual workforce planning cycle.

The aim of the strategy is to deliver the work streams required to ensure that the Highland Council can transition from our current position to build and maintain the workforce of the future.

Context

The Highland Council, like many large organisations, are increasingly facing challenges to operate and deliver their services effectively and efficiently. We therefore need to ensure that our approach to workforce planning reflects the unique opportunities and challenges of the culture, communities and geography of the Highlands. This strategy lays out how we will achieve this.

We have an aging workforce, a high proportion of staff aged between 41 and 60 years of age and a low proportion of staff aged 30 and under; some 41% of all employees are aged 50 or over. Non-teaching employees aged under the age of 30 are found predominantly in the Technical & Practical, Personal Care and Business Support job families and in the lower grades HC1 to HC5. The majority of staff who continue to work beyond 71 years of age, do so in Technical & Practical jobs and in lower graded work.

The Highland Council are the major employer in the Highlands with 10,000 employees distributed across the Council area. The distributed nature of the workforce is significant, with more than 95% of employees' working out with the Council's Inverness Headquarters. Our workforce is predominantly female. This is the case for the non-teaching (72%) and teaching (77%) workforces

and female employees make up 60% of the top 5% of earners. Gender job segregation is significant in some areas, and part-time working is more relevant in the lower grades.

Structure

The strategy is made up of a vision based on our core values and ethos as an organisation, and a set of corporately agreed guiding principles and objectives.

The Vision, Principles and Objectives have been generated from a set of common themes agreed by each service as part of the 2017 workforce planning cycle. The themes are based on work undertaken by services in defining environmental and contextual analysis and developing future workforce profiles. They have been developed as the long-term enabling activities that will allow effective workforce planning to take place in the Council. The corporately agreed themes are attached at **Appendix 1**.

Process

This strategy is expected to set the course for the Council for the next five-year period. However, it will be reviewed annually at the start of each workforce Planning cycle to ensure that the vision, principles, themes and objectives remain consistent with the political, economic, social, technical, legal and environmental direction of the Council as an organisation. The Strategy is designed to put in place the objectives that will be required to support workforce planning conducted by services.

Appendix 1 shows how the Workforce Planning cycle will work in practice. The graphic demonstrates how the Strategy sits above the annual service workforce plans and will remain extant for the annual planning cycles that follow. In order to ensure strategic alignment with other initiatives, the annual workforce plans conducted by the Services using the **Highland Council Workforce Planning Guide** will be aligned with other strategies, before a corporate workforce plan is agreed at the end of the cycle.

Highland Council Workforce Planning Strategy 2017-2023



Principles

A set of guiding principles have been used to develop the Workforce Planning strategy. These guiding principles acknowledge the need for transformation and reflect the ambitious nature of the Council's approach to develop its workforce to meet the demands of the future.

Continue to build on our position as an Employer of Choice in the Highlands

Develop a medium term workforce plan, aligned with the financial strategy

Support the change agenda of Localism, Redesign, Digital, Commercial and efficiency

Maintain good partnering relationships with trade unions and reinforce our positive equalities and wellbeing culture

Recruit to meet service outcomes and attract skilled workers into difficult to fill posts

Align to key service outcomes, reflecting the need to retain skilled and valued staff whilst taking measures to re-balance the workforce age demographic

Develop transition and retraining as opportunities and alternatives to redundancy

Cultivate a better understanding of the existing skills of the workforce and develop a more flexible workforce with agile roles and terms and conditions of service

Create structures that encourages empowerment of employees at all grades and implement management to staff ratios that create capacity for managers to lead

Strategic Objectives

Strategic Objective 1

Position engagement at the heart of everything we do; cultivate our excellent long-standing partnerships with Trade Unions, listen to our employees, communicate regularly and consult meaningfully with Community Planning Partners

The Council will consolidate its **Engagement and Partnership Working Framework** which supports joint problem solving. Through meaningful consultation this arrangement will be used to support best possible outcomes with all partners having the opportunity to influence the decision making process.

By embedding staff engagement within Council processes we will be able to deliver a range of benefits of mutual interest including: better, quicker decision making based on greater influence of employees and their representatives; change implemented with assistance of employees and representatives; improved engagement and commitment from managers, employees and their representatives; preventing employee relations problems by dealing with issues early.

The Council will conduct a corporate employee survey every 2-3 years. This will continue to provide valuable employee feedback on how engaged employees feel, how employees rate the Council as an employer and how well change is managed and communicated.

Communities and Partnering - The Highland Community Planning Partnership has developed a Highland Outcome Improvement Plan (HOIP) that seeks to tackle inequality and make the Highlands a fairer place, so that everyone has the opportunity to enjoy the benefits of our region.

With 10,000 employees and 74 elected Members, the council makes up a significant proportion of our Highland communities. Our workforce is therefore a substantial asset not just to the Council as an employer but also the wider community.

Early consultations have highlighted that many of the core issues being experienced by partner organisations are common, such as: ageing workforce, poor data, recruitment issues, agency usage and the challenge of predicting future workforce requirements. Wherever possible, we will work with partners to overcome workforce challenges collaboratively.

Strategic Objective 2

Align the workforce with the Council's medium term financial plan; concentrate on alignment with the prioritisation and efficiency work streams

The Workforce Strategy will be aligned to the medium term financial strategy. The workforce plan must adapt to meet the Council's financial priorities and aim to deliver them in the most effective way possible. This strategy will concentrate on prioritisation and efficiency measures as the financial strategy develops.

The strategy will look to support prioritisation and efficiency proposals to ensure that the Council's resources are appropriately directed towards the delivery of the stated priorities. High priority areas

will be reviewed to ensure that they are being resourced appropriately and low priority areas may be considered for either reductions in service or complete removals of services.

The workforce plan has to have in-built agility to react to changing priorities and efficiency measures. A corporate approach to transition of staff will be a key enabler in achieving this, as will our approach to upskilling and the development of a flexible workforce.

Strategic Objective 3

Develop an agile workforce through effective recruitment; generate a culture of transition underpinned by upskilling and retraining opportunities

Through corporate and service workforce planning, we will refine our current understanding of the workforce data by age, gender and skills levels. This information will be reviewed against the requirement in 3-5 years' time and acknowledge the workforce adjustments that need to be made.

Recruitment challenges created by geographical barriers, such as remote locations with less amenities or employment opportunities for families of council staff in rural areas of Scotland are prevalent in some specific specialisations, notably teachers and Social Workers.

Regional demand for workforce replacement is exacerbated by a projected drop in the size of the working age population: with nearly 80,000 fewer people of working age over the next 20 years. We should therefore anticipate pressure for competitive recruitment from an increasingly limited pool of local talent. Rather than short-term one off initiatives, a comprehensive approach to difficult to recruit to posts is required.

Our overall method of recruitment will also require attention. Consideration will be given in the first instance to generate skilled staff by investing in our current workforce through intelligent transition of staff. Where external recruitment is required, a more values based approach will be considered to consolidate on the shift towards a more flexible and diverse culture.

In conjunction, and to make the most effective use of the key benefits of an age diverse workforce, we should aim to provide real opportunities for flexibility in terms and conditions to support staff to meet the needs of the organisation by changing either role, hours or remit.

Strategic Objective 4

Grow our workforce of the future, rebalance our age profile through initiatives such as Modern Apprenticeships and retain knowledge through effective succession planning

We need to build a workforce with the skills, competencies and values required to deliver the services of the future. Effective induction, ongoing employee review and development and a consistent approach to exit interviews will support improved employee learning and development. Training needs analysis and the development and delivery of high quality education, training and assessment will be tailored to meet future requirements.

Of the Council's current workforce age demographic, 41% of employees are over the age of 50; with a low proportion of staff under 30. This presents an imminent threat to succession and organisational sustainability.

The development of our future workforce will allow us to review and rebalance our age profile, ensuring that we retain and pass on the skills and experience of practised employees, while growing the capacity of employees taking up new roles. Supported by effective succession planning, an ambitious future workforce strategy will have a modern apprenticeship scheme at its centre that will help deliver our future workforce and make best use of limited resources.

Strategic Objective 5

To deliver leadership and management training that supports organisational development, embeds commerciality, and leads to less demand on supporting services

The development of leadership capacity will be delivered through a new programme designed to support Service workforce plans. As well as establishing a clear competency framework, the programme will offer all managers the ability to attain benchmark leadership qualifications through assessment of their experience and current practice.

Aspiring managers will have the opportunity to develop leadership skills and qualifications through delivered training. The benchmark qualification for Council managers will be SVQ5/ILM5#1. Senior managers (Heads of Service) will benefit from a programme of leadership development, designed and delivered through peer learning, to prepare them for the future opportunities and challenges.

Effective leadership is essential at all levels and in all areas of the Council. Managers must be able to communicate a clear vision of how we plan to progress as a council and provide their teams with a consistent story about where we are going and what we need to do to get there.

Managers will be encouraged to empower their employees, devolving decision making to the lowest level. All employees will be given a voice to express their views and concerns and to allow them to be involved in the decision making process, with the employee forum and staff surveys as key enablers.

Strategic Objective 6

Create a culture of Continuous Improvement through continuous review and improvement of processes

One of the main challenges facing the Council over the next five years will be a lack of financial resources. This challenge, along with the need to continually respond to changes to customer demand and opportunities for changes to the way we deliver our services, necessitates the continuous review and improvement of processes.

The Council's change programme comprises Redesign, Lean Programme, Transformational Savings Programme and Commercial initiatives, and provides the corporate focus and drive for specific improvement and efficiency projects.

Maximising staff awareness and involvement in change programme initiatives is both key to successful delivery of projects, and to supporting the Council's transformation to a culture where continuous improvement is part of day to day to service delivery.

The practical steps to maximising staff awareness and involvement, and embedding a focus on continuous improvement will be actioned through a stronger emphasis on meaningful measurement of performance, Lean training and awareness, and ongoing opportunities for staff involvement in business improvement events.

Strategic Objective 7

Ensure that our establishment is up to date and systems are in place that provides up to date, easily accessible management information and data

Effective workforce planning requires full and accurate data on the current workforce held in a way that can be efficiently reported and analysed. The Council requires Resource Link to support a full HR establishment which will provide a real time model of the Highland Council's establishment of approved posts, incumbent employees and vacancies.

Work is required to ensure that all the necessary data, structured in such a way to support management data, trend analysis and reporting is in place. This will support effective workforce planning and enable improved HR and payroll processes. As an essential tool in the management of HR information and decision making the baseline will be consistent with Service staffing budgets.

This work is underway and will provide improved processes to maintain & update the data and put in place the management reporting and trend analysis required to support effective workforce planning.

Strategic Objective 8

To develop, with our Trade Union partners, a flexible workforce with job designs and contracts that reflect the future needs of the organisation and retain a commitment to be a fair employer.

The pay and conditions group within the Council's Engagement and Partnership Framework provides a mechanism for consultation with our staff partners on local conditions of service.

Job profiles will be designed on the basis of core skills and competences to enable employees to move freely within teams and across services to best meet Service delivery demands. Job roles will offer meaningful work, evaluated through the Council's Job Evaluation scheme and consulting with staff partners on adopting the 3rd Edition of the Job Evaluation scheme.

Jobs roles will be also be adapted for employees with a disability to ensure full compliance with legal requirements under the Equality Act. The transition portal will be used to facilitate the efficient and effective movement of staff to ensure staff can be deployed appropriately with the ultimate aim of no compulsory redundancies across the Council.

Considering health, safety and wellbeing at all stages of the decision making process will ensure employee engagement through consultation minimises the effect of work-related stress and addresses HSW issues of aging workforce. Understanding that these opportunities should benefit all staff within the Council, we will also communicate effectively health surveillance initiatives to encourage employees to manage their personal wellbeing in relation to mental health, stress and physical wellbeing.

Strategic Objective 9

Create a culture of digital upskilling and proactive use of technology to improve outputs and generate and promote innovation amongst staff at all levels.

Digital technology is now at the heart of modern society, transforming how we work, learn, connect and consume. Nowhere is this more apparent than in the workplace where digital skills are already essential to support continued service improvement and democratic engagement. The development

of digital skills will support a culture of improvement where innovation in technology and its application is embraced by employees, members and our communities as we all recognise the benefits and opportunities that this brings.

Service workforce planning will be pivotal in identifying training needs for groups and the Employee Review and Development scheme will identify the specific needs of individuals. Service Learning plans must reflect the key competencies that have been identified to maximise digital competency.

Digital skills will be a key building block of all future learning and development activities. Core digital skills will be promoted for all employees and members. They will be included in all future qualifications provided by the Council including Scottish Vocational Qualifications, Higher National Certificates and Diplomas and Institute of Leadership & Management certificates. Digital core skills will be included in the programme for all future Modern Apprenticeships and specialist Digital Apprentices will be recruited and trained.

The biggest challenge to the development of a digitally skilled workforce is keeping ahead of rapid technological advancement, and the subsequent emerging opportunities. This means that development requirements need to be reviewed very regularly.

Equalities Statement

Highland Council is committed to the requirements of the Equalities Act 2010, ensuring that people are not discriminated against on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex or sexual orientation. Equality and fairness are at the core of our approach to our responsibilities as an employer.

By carrying out an Equalities Impact Assessment on the Workforce Planning Strategy we have assessed the likely impact of our strategic approaches on the workforce. The purpose of the Workforce Planning Strategy is to ensure that all employment legislation requirements are identified and met, and Council policies aimed at implementing the strategy are subject to Equality Impact Assessments. The implementation of this Strategy will help the Council to achieve its equality objectives.

Appendix 1 – Corporate Workforce Planning Themes

Appendix 2 – Corporate Workforce Planning Roadmap

Appendix 1 – Corporate Workforce Planning Themes



Appendix 2 –Corporate Workforce Planning Roadmap

