
Report To:	Policy and Resources Committee	Date:	6 February 2018
Report By:	Head of Organisational Development, Human Resources and Communications	Report No:	HR/01/18/AW
Contact Officer:	Allan Wilson	Contact No:	Ext 2022
Subject:	People and Organisational Development Strategy 2017-2020 - Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update Members on the key actions completed during 2017 and to set out targets for 2018 to support the Council's People and Organisational Development Strategy 2017-2020.

2.0 SUMMARY

- 2.1 The Organisational Development Strategy 2017-2020 was formally approved by the Policy and Resources Committee in September 2016. The Strategy was designed to support the range of planned transformation and change management projects and to ensure the required skills are in place to deliver these and the required savings.
- 2.2 It is recognised that the period 2017-2020 will be extremely challenging for the Council and it is therefore more important than ever to ensure that we have a strategy and workforce plans in place which will drive and deliver change across services while ensuring our employees continue to be motivated, sufficiently trained, qualified and experienced to deliver quality services which meet current and anticipated service needs.
- 2.3 Although the Council has successfully managed workforce changes in recent years it is recognised that the scale of workforce changes over the next two years may be greater than previously required. Accordingly, it is vital that detailed workforce plans reflect the planned workforce implications of any budget decisions ensuring that any loss of skills does not have a negative impact on the Council's ability to deliver services and its significant programme of change.
- 2.4 Delivery of the key actions over the next few months will be taken forward in consultation with the Trades Unions through the Joint Budget Group and with the workforce. The Corporate Workforce Planning and Development Group will have a key role in monitoring workforce plans, ensuring a consistent implementation of the People and Organisational Development Strategy and key actions across the Council.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee:
- note the key workforce planning actions outlined in section 5 of this report which will support the Council to manage the workforce implications required to address the projected funding gap and also to support our employees through the next period of significant change.

Steven McNab
Head of Organisational Development,
Human Resources and Communications

4.0 BACKGROUND

- 4.1 The Council has recognised the importance of supporting employees through periods of sustained change and this has been demonstrated through the delivery of two Organisational Development Strategies from 2009 and the current People and Organisational Development Strategy for 2017-2020. It recognises that in order to deliver on the Council's policy ambitions in a climate of reducing resources, the Council will need a workforce that is developed appropriately and remains engaged, and motivated.
- 4.2 In order to support the large range of transformation and change management projects, Inverclyde Council formally introduced an Organisational Development Strategy in 2009, shortly after the successful introduction of Single Status. Since then the Council has continued to give Organisational Development (OD) a prominent role, placing a high value on OD and workforce planning activity. The 2009-2012 strategy was followed by our second OD strategy 2013-2016 which continued to ensure that positive people management and workforce planning initiatives were supported, introduced and recognised as playing a valuable role in achieving key Council priorities and objectives and securing high service delivery standards.
- 4.3 The 2017-2020 strategy which was formally agreed by the Committee in September 2016 was developed in consultation with all services which has helped to provide a baseline assessment against the key objectives within the Corporate Statement and Corporate Directorate Improvement Plans. Stakeholder engagement included workshops with the Extended Corporate Management Team, Heads of Educational Establishments, Service Managers and feedback from the recent Employee Opinion Survey. Consultation on the development of this strategy has also taken place with the Trades Unions and the Corporate Workforce Planning and Development Group which has representation from all Directorates of the Council.
- 4.4 Although the Council has successfully managed workforce changes in recent years it is recognised that the scale of workforce changes over the next two years may be greater than previously required. Accordingly, it is vital that detailed workforce plans reflect the planned workforce implications of any budget decisions ensuring that any loss of skills does not have a negative impact on the Council's ability to deliver services and its significant programme of change.
- 4.5 The Council is pursuing an ambitious and wide ranging agenda through the Corporate Directorate Improvement Plans (CDIP). One of the greatest challenges in the coming years is to continue to deliver high quality services to our customers in extremely challenging financial circumstances. The delivery of the objectives within our CDIPs will require the commitment and hard work of the Council's workforce.
- 4.6 In addition, the Council and its partners are operating in an environment dominated by a public sector reform agenda, involving anticipated changes in legislation and policy which directly affects the way the Council services are delivered in the future and will make new demands on the skills and capabilities of our workforce. It is essential therefore that the People and Organisational Development Strategy and workforce plans for the next three - five years respond to these challenges, equip its managers and workforce to enable the Council to continue to work corporately and effectively to deliver on its policy ambitions.
- 4.7 The key actions which have been progressed during 2017 are highlighted in section 5 of this report together further workforce planning activity planned over the year ahead. The delivery of the key actions over the next year will be taken forward in consultation with the Trades Unions through the Joint Budget Group and with the workforce. The Corporate Workforce Planning and Development Group will continue to have a key role in monitoring the consistent implementation of the People and Organisational Development Strategy across the Council.

5. Key Workforce Planning Actions

5.1 The priority workforce planning actions progressed during 2017 focussed on addressing the significant workforce implications arising out of the projected funding gap 2017 - 2020. The key actions progressed during 2017 are set out below against the four key themes of the People and Organisational Development Strategy. A number of the actions highlighted will continue to be progressed during 2018 and these, as well as other planned workforce planning activity are also highlighted below.

5.1.1 Theme 1 – Organisational Development (Planning for the Future)

Outcomes – What we plan to achieve

Excellence in people & performance management and organisational design. To continue to identify current and future workforce challenges and solutions.

Key Actions:-

a) Workforce Profiling of Potential Saving Areas

Detailed workforce profiling has been undertaken in key areas across the Council to identify the potential employee impact of any savings and how best to plan and manage the implementation should savings in these areas be agreed. Workforce profiling included looking at the age profile, skills, vacancies, number of temporary employees etc. Some of this data is currently available through the workforce information and activity reports which are issued to managers on a quarterly basis.

This information has been critical in assisting discussions with the Trades Unions at the regular Joint Budget Group meetings around areas where savings may be agreed.

b) Workforce Planning Matrix

Working with the Change Management Directorate Groups and members of the Corporate Workforce Planning and Development Group a workforce planning matrix has been developed to support services to take steps today to ensure we:

- Have the right **people**
- In the right **place**
- With the right **skills**
- At the right **time**
- For the right **cost**

This covers key areas of organisational development, leadership & employee skills development, recruitment & retention and pay & benefits. The key purpose will be to maximise strengths and opportunities and ensure plans are put in place at service level to address workforce challenges ahead.

The workforce planning matrix was utilised and workforce plans are in the process of being fully developed following a senior management workshop on 1 December 2017 facilitated by, amongst others, colleagues from the Improvement Service. Completed plans are scheduled for completion and submission to the Corporate Management Team early 2018. Inverclyde Council is the first Council in Scotland to utilise the knowledge and experience of the Improvement Service in this way to assist in the development of workforce plans at service level.

c) Targeted Voluntary Severance Trawl

In order to gain an understanding of employee intentions and to support workforce planning around potential savings areas, a 'soft' voluntary severance trawl was undertaken in appropriate areas during the summer of 2017.

Following analysis of the 'soft trawl' results and workforce profiling in potential savings areas, the Council, at its meeting on 28 September 2017, agreed for a number of savings proposal to go out for public consultation beginning January 2018.

A formal voluntary severance trawl was progressed in October 2017 in appropriate areas where savings proposals were being formally consulted on. Voluntary severance activity may progress throughout 2018 taking into account savings agreed by the Council.

d) Effective HR Policy Development & Implementation

Effective HR policy development and implementation plays a key role in improving the performance of our people. A review was undertaken in 2017 of our Supporting Employee Attendance Policy with the trade unions and a refreshed policy was agreed by the Policy and Resources Committee in June 2017. Supporting employee attendance is a major focus for the Council and will continue to be so in future years to ensure acceptable levels of service delivery and minimise the impact of absenteeism on other employees. In times of economic constraint, managing the costs of absence becomes even more important and the effectiveness of the new policy and procedures will continue to be monitored and reviewed.

The Council's redeployment policy will also be a key document in managing the workforce challenges ahead. A revised Employee Displacement Matrix was agreed with the trade unions in 2017 and was agreed by the Committee on 20 June 2017.

Other HR policies and procedures are scheduled to be reviewed over the coming year including the introduction of a dignity and respect policy and procedure.

e) Early Learning and Child Care expansion

The Scottish Government is delivering a change in early years and child care provision by almost doubling the current free entitlement to 1140 hours per year by 2020 for all three and four-year olds and eligible two-year olds. A sub-group of the over-arching steering group charged with organising the expansion is looking at workforce implications and is in the process of finalising a Workforce Plan. There will be a focus in the year ahead in implementing plans to recruit and re-train the workforce to meet the demands of the increased child care entitlement.

f) Local Negotiating Council for Teachers (LNCT)

A report was agreed by the Policy and Resources Committee in March 2017 which revised the composition and operation of the Local Negotiating Committee for Teaching Staff (LNCT). This effectively modernised the workings of the Committee making it more streamlined and effective. The LNCT is charged with considering the Inverclyde approach to certain devolved matters associated with the terms and conditions of teachers. The first Annual General Meeting of the newly formatted LNCT will be scheduled in 2018 to formally approve a number of updated LNCT Agreements.

g) National Recruitment Portal

The National Recruitment Portal also known as 'My Job Scotland' has been completely refreshed and introduced seamlessly into our operating procedures, which remain fully inclusive. Revised guidelines for managers and local recruitment panels have been rolled out during 2017 making the process efficient and effective.

5.1.2 Theme 2 – Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)

Outcomes – What we plan to achieve

Ensuring our employees are sufficiently trained, qualified and experienced and our leaders are developed to lead, motivate and inspire to deliver quality services which meet service demands.

Key Actions:-

a) Performance Appraisal Process & Future Skills Requirement

Refresher training is available for employees and managers and guidance has been issued and promoted to ensure our performance appraisal process is as effective as possible and supports succession planning across the Council. A key part of the performance appraisal process is identifying training needs now and for the future and the creation of individual development plans to meet these needs.

b) Identification of Skills Gaps and Meeting Learning & Development Needs

Information is now being gathered centrally on the key learning and development needs identified through the performance appraisal process. This information will be analysed by the Council's Organisational Development Team and used to develop and deliver Corporate Learning & Development events, support service workforce plans and make enhancements to our e-Learning programmes.

c) Leadership Development Events

A Leadership Development Event was held last year which was attended by over fifty senior managers. The focus of the event was service workforce planning and how best the Council can address the workforce challenges ahead. It is proposed that a similar leadership development event will be arranged for later this year which will focus on addressing the key leadership challenges ahead and the 'Delivering Differently' transformation/change management programme.

d) Succession Planning

A succession planning programme was agreed by the Corporate Management Team in the summer of 2017 and is in the process of being rolled out across the Council. The first phase of succession planning is well underway across the Health and Social Care Partnership and the two other Directorates are scheduled to complete their plans in 2018.

e) Senior Officer Training Matrix

A matrix has been developed comprised of essential and desirable training for senior offers – team leader and above. This assists in the compilation of individual development plans and the activity created is reported quarterly in the Workforce Information and Activity Report.

f) Flexible Workforce Development Fund (FWDF)

The FWDF is available to all employers who pay apprentice levy in Scotland and is led by employer demand. Following a successful bid, funding totalling £10,000 has been allocated to Inverclyde Council to use before June 2018 at the local West College Scotland for training which has been identified through performance appraisals training requests.

- E-Learning – development

Inverclyde is a founder member of the Clyde Valley Consortium which provides the Council with an e-learning platform called Brightwave. This has served us well for a number of years however work is underway with other partners to explore the other shared platforms which will

give access to more modern e-learning package for our employees and across the public sector in 2018.

5.1.3 Theme 3 – Employer of Choice (Continuous Improvement)

Outcomes – What we plan to achieve

To enhance our reputation as an employer of choice and as a Local Leader on innovative and modern employment practices, attract future and retain existing employees by promoting Inverclyde Council as a great place to live and work.

Key Actions:-

a) Recruitment & Selection Policy and Employee Induction

The Council has implemented a new 'Recruitment and Selection' policy during 2017 which aims to ensure the Council can attract and appoint highly skilled, flexible and motivated employees who can meet future needs of the community of Inverclyde. A new and improved induction programme for new starts joining the Council has also been developed and will be rolled out during 2018.

b) Healthy Working Lives Gold Award

The Council successfully maintained the Healthy Working Lives Gold Award in 2017 and will be reassessed again later this year. The Council aims to continue to demonstrate its long term commitment to the health and wellbeing of employees by retaining the 'Healthy Working Lives' Gold Award.

c) Modern & Innovative HR Policies

During 2018 the Council will continue to review and introduce Modern & Innovative HR Policies which support new, more efficient ways of working. The aim will be to build on the encouraging results coming out of the last Employee Opinion Survey. The last Employee Opinion Survey was carried out in 2015 and they are programmed for every three years. A further Employee Opinion Survey is scheduled for later this year.

d) Defence Employer Recognition Scheme

The Defence Employer Recognition Scheme (ERS) encourages employers to support defence and inspire others to do the same. The scheme encompasses bronze, silver and gold awards for employer organisations that pledge, demonstrate or advocate support to defence and the armed forces community. Inverclyde Council successfully achieved the Gold award in August 2017.

5.1.4 Theme 4 – Fairness & Equality

Outcomes – What we plan to achieve

Continue to work with our community partners to promote equality, dignity and respect and ensure our employees, customers and partners are treated fairly and with respect at all times. Ensure equality requirements are met through our grading and pay model and job evaluation processes.

Key Actions:-

a) Job Evaluation

The Council has now fully implemented the 3rd Edition of the Scottish Councils Job Evaluation Scheme in partnership with the Trades Unions. In addition, all historical job evaluation data has now been transferred onto a new electronic format. The ongoing maintenance of the Job Evaluation Scheme will continue to be monitored in partnership with the Trades Unions to

ensure all equality requirements are met.

b) Equality, Diversity and Respect at Work

A review is currently underway to strengthen the Council's Equal Opportunities policy demonstrating the Council's commitment to fairness and equality. Equal Opportunity Monitoring Forms were distributed to all employees over December 2017 with a view to completion by early January 2018. Most employees will receive the pro forma on line however hard copies are also being sent out to non pc users. Managers and team leaders are encouraging a response although completion is voluntary. Approximately two thirds of our employees have completed the form which will assist the Council in equality monitoring.

Equality is embedded in all Council policies and procedures. The Council will continue to ensure that following the introduction of the equality legislation, relevant policies, processes and training will be reviewed and amended to ensure compliance.

c) Equality Impact Assessments

Equality and Diversity issues continue to be a high priority for the Council so all employees, customers and partners are treated fairly and with respect at all times. It is essential, during the period of significant change ahead, that we maintain a focus on our commitments and have processes in place to meet our responsibilities and to monitor the impact on our staff and our workforce profile.

d) Equality and Diversity Training

Specific Equality and Diversity training is available to all employees of the Council in both a classroom style environment and through e-learning. Equality and Diversity is also mainstreamed throughout the Council's learning and development programmes which will continue to be promoted throughout 2018.

e) Carer Positive Scotland Award

The Council has received this award in recognition of existing good practice, policies and procedures in this area. The Council will continue to monitor and introduce initiatives which support our employees who are carers. This includes continuing to encourage employees who are also carers to make themselves known via the equal opportunity exercise which is currently on going.

f) Disability Confident (Leader)

Inverclyde Council has become the largest employer in Inverclyde to sign up to a scheme to support disabled people in employment. Disability Confident employers are those who have identified and removed barriers in the recruitment of disabled people, tapped into the support available, and successfully offered an opportunity to or hired local disabled job seekers.

f) Grading and pay – review and impact assessment

The grading and pay model in its current form dates back to 2007 and the time is therefore, good to adjust and adapt it to ensure it remains fit for purpose. In addition, the impact of the living wage requires to be considered with a view to considering how best to continue to apply it and at the same time how best to align it into grading and pay. During 2018 a number of pay and grading models will be considered for implementation in 2019.

6.0 COMMUNICATION STRATEGY

6.1 To embed the People and Organisational Development Strategy a key development is the ongoing communications of the strategy. The 'Insider' publication is produced after each full Council meeting to highlight some key decisions from the meeting. It has also been used as a regular update sent to all employees to highlight people and organisational development issues and subjects highlighted in the strategy.

6.2 Insider Council Update is published and distributed online through email and ICON, the Council intranet. It is also sent to Heads of Service to arrange direct distribution to employees without access to email or PCs to further encourage direct communications to employees outside of the desk-based services.

7.0 PROGRESS REVIEW

7.1 The recent Best Value Audit recognised the good workforce planning activity taking place across the Council and the aim is to continue this work into 2018 and beyond. This report outlines some key actions for 2018 which will support the Council to manage the workforce implications required to address the projected funding gap and also to support our employees through the next period of significant change. It is important that senior managers continue to be accountable and take responsibility for their role in implementing the key actions. The strategy and the underpinning actions will continue to be subject to regular review to ensure that the most important actions are addressed.

7.2 The Council's Workforce Planning & Development group will contribute to the development and monitoring of the key actions outlined above and within the wider strategy. Progress reports will continue to be brought to the Corporate Management Team and the Policy and Resources Committee.

8.0 PROPOSALS

8.1 It is proposed that the Policy and Resources Committee note the key actions progressed during 2017 and the planned activity for 2018 which will focus on the workforce implications arising out of the projected funding gap for 2018 - 2020.

9.0 IMPLICATIONS

Finance

9.1 N/A

Financial Implications:

Costs associated with learning & development of employees will be contained within existing training budgets.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

9.2 None - agreed themes and work streams will continue with due regard to legal requirements. Full consultation with Legal Services will be sought as required.

Human Resources

9.3 As outlined in the report.

Equalities

9.4 Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

NO - will be completed as required for specific topics

Repopulation

9.5 The actions under the “Employer of Choice” Theme (paragraph 5.1.3) support the Council’s repopulation agenda.

10.0 CONSULTATIONS

10.1 This People and OD strategy and key actions has been developed following consultation with the full Extended Corporate Management Team (ECMT) and Trades Union colleagues.

11.0 LIST OF BACKGROUND PAPERS

11.1 N/A