

MORAY COUNCIL

WORKFORCE AND ORGANISATIONAL DEVELOPMENT STRATEGY

(2019-2022)

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1 Introduction

This workforce and organisational development strategy is designed to support the council to develop a skilled, motivated and flexible workforce and to adapt as an organisation in order to be able to deliver sustainable services to the community that make a difference, address inequality and are fit for purpose.

2 Corporate Vision

The council's vision is to make life better for everyone in Moray, where there is a positive future for all, within a vibrant economy, with empowered and connected communities.

Moray is an area of diverse natural beauty where people choose to live, learn, work and enjoy. To deliver this, the council's priorities are:

- **Our People** : Provide opportunities for people to achieve their potential and be the best they can be throughout their lives
- **Our Community**: Empower and support communities to build capacity
- **Our Future**: Drive economic development to create a vibrant economy for the future

While delivering these priorities the Council will also work towards creating a sustainable council that provides valued services to our communities underpinned by our values of ambitious, fair, responsive and improving, working together for a better Moray.

3 Moray Profile

With a population in excess of 93,000 the demographics of Moray present some unique challenges. When compared with neighbouring regional and national levels, Moray has a lower business and employment base, a higher share of employment in mining, quarrying and utilities, manufacturing, public administration and defence and lower unemployment rates. Other features of Moray's profile are:

- smaller proportion of the adult population with degree-level qualifications
- above average percentages of older people
- low wage economy and reliance on a small number of industries
- influence of the MOD on population and job market
- young people leaving the area after school and not returning
- some young people do less well in exams or what they do after school which affects their choices for the future
- a town/rural divide in relation to outcomes

- social isolation and challenges for access to services because of rural nature of Moray

Comparing this data to the overall workforce statistics Moray Council is representational of the Moray area as a whole with an aging workforce and significantly low numbers of young people in employment; those under 29 years of age represent only 9.2% of the overall workforce which in workforce planning terms presents a longer term concern. Moray Council has a 1:4 male to female staff ratio which is representative of the types of services delivered which are more aligned to professions typically undertaken by female employees such as caring, teaching, clerical and admin and cleaning staff. The current turnover rate of staff has remained fairly static at 9.2% is consistent with the median rate of turnover for public sector services.

4 External Context

In common with most other local authorities, Moray Council is operating within an external environment that holds many challenges as well as opportunities in delivering the corporate priorities. Alongside this sits the requirement for continued day to day delivery of council services.

Following the economic downturn in 2008/9 and successive reductions to local government budgets, Moray Council has developed a good track record of delivering savings whilst balancing the sensitive management of a reducing workforce with valuing and motivating the employees who remain. With the external financial constraints set to continue, the council has developed an improvement and modernisation programme to help it become more sustainable and fit for purpose in the future.

This means that the way the council delivers services to the public and the role it plays within this is likely to change substantially in the future in terms of the shape and scale of public service delivery. This is also likely to have an impact on the way people do their jobs as well as the number of jobs within services.

Additionally there are a range of legislative requirements, government initiatives and sector specific professional developments that the Council has to respond to in order to competently deliver services to the community.

Initiatives that relate specifically to the workforce include the Fair Work Practices Framework as set out by the Fair Work Convention in their role as an independent advisory body to Scottish Government Ministers. The aim is to drive forward fair work in Scotland so that fair work is a hall mark of Scotland's workplaces and economy. Moray Council are committed to and agree with the principles set out in the Fair Work Framework of effective voice, respect, security, opportunity and fulfilment for each and every employee. These align with the corporate values and we will aspire to work towards these in managing and developing the workforce where reasonably practicable and achievable.

5 Workforce Vision

Moray Council believes that its workforce, their skills, capacity and commitment are the key to delivering and improving council services and that it is essential that our workforce is deployed, managed and developed effectively to be able to do their best at work.

Part of the current challenge is realigning the workforce to meet the council's future requirements and retraining existing employees to undertake new roles and develop new skills. This includes continuing to develop our customer service focus, supporting the development of digital skills in line with more digital solutions for service delivery and ensuring systems and ways of working lead to improved outcomes.

While successive employee surveys have indicated good progress with substantial improvements across a range of employment issues, there continues to be scope for improvement, particularly in supporting people through changes to their jobs and ways of working.

Strong consistent leadership remains critical to the successful delivery of council services in the future.

6 Workforce Planning

Workforce planning is undertaken on an annual cycle through data analysis, discussions with senior and service managers and distillation of common themes into the corporate workforce strategy where necessary. The discussions focus on the following areas:

Demographics

- Community/Workforce Profile – how closely the workforce profile matches the Council and community profile in terms of gender, ethnicity and age
- Age/Gender – determining any issues associated with the workforce regarding numbers retiring or in key posts
- Turnover – determining areas where turnover is higher or lower than average, considering the reasons and identifying any service implications
- Sickness Absence – analysing sickness absence rates, identifying any particular problem areas for either short or long term absence, trends, hot spots

Recruitment

- New posts – considering whether any new posts are anticipated and identifying any potential backfill, recruitment or induction issues
- Service issues – considering any significant service issues arising or anticipated from recruitment problems, impact of Brexit
- Key posts – identification of any hard to fill posts and the implications of a vacancy
- Local and national market implications – assessing the implications of local and national labour market conditions

Corporate

- Forward planning – assessing the implications of any issues arising from the financial, corporate and service planning processes
- Efficiency reviews – identifying any issues arising from efficiency reviews
- External developments – considering any external developments impacting upon services e.g. legislative changes

Strategic

- Employee engagement – considering any issues arising from the employee engagement work including the most recent survey results
- Employee culture – identifying any issues arising from the workforce culture activity that require intervention, support, adaptations
- Leadership development and capacity – assessing any issues of leadership development and capacity impacting on service delivery
- Workforce transformation and change – consideration of any other factors potentially affecting the future reshaping of the workforce

7 Priorities for 2019 – 2022

Delivering services and meeting priority targets within a reducing budget continues to dominate the council's agenda. While regular reviews of all service areas will ensure that resources are and continue to be aligned to priorities and that appropriate shifts are made, this will continue to result in significant and difficult implications for the Council's workforce, ranging from changes to ways of working to job losses. Ensuring the council has the flexibility and adaptability to meet the council's future requirements will remain the major theme for workforce management activities for the foreseeable future. This will require an increased focus on organisational development including making the change agenda more accessible and understood so that it becomes something every employee does with a focus on customer services and increased use of a digital approach.

Notwithstanding the transformation and change activity, it is also important to effectively manage the workforce who will continue to deliver the vast majority of council business. Ensuring employees feel valued and their contributions recognised will be fundamental to maintaining morale and motivation. Within the challenging environment therefore, employee engagement and workforce culture will continue to be a key priority. This will however include a particular focus on engaging and the workforce on the change required to modernise and improve the future of services.

Also within the context of transformational change, the management of change will continue to be a key priority. Management of change in a difficult financial environment will mean an engaged workforce and strong, consistent leadership are particularly important to the future of Council services. This means ensuring that appropriate development activity is available to all managers and supervisors across the organisation.

Recruitment continues to present difficulties, particularly in relation to specialist and senior posts and teaching staff. While this is a pattern repeated nationally and at least in part relates to a shortage of supply the situation is exacerbated by Moray's remote geography and the size and scale of some of our services. The Council will

continue to identify ways to nurture and develop talent to meet future demand including encouraging the use of apprenticeships where sustainable.

The main workforce priorities for this plan are:

- Workforce Transformation and Change
- Engagement and Culture
- Leadership Development and Capacity
- Recruitment and Skills Development

8 Elements and Objectives

Workforce Transformation and Change: manage the contraction and re-shaping of the Council workforce to achieve a sustainable skilled and motivated workforce for the future aligned to the Council's priorities.

The requirement to make long-term reductions in budget will continue to impact on the Council's workforce. As the cumulative effect of annual savings builds, more fundamental review of what and how activities are undertaken is required in order to continue to reduce costs. It is already apparent that this is likely to impact on particular services more than others therefore the Council will continue the management of change through Transform to reshape the workforce. The intention is to achieve a reduction in the paybill and number of people employed and to minimise compulsory redundancies, providing security of employment as far as possible.

To address these issues we will:

- ◆ Continue to use the Transform approach (and relevant change management procedures for teaching staff) to manage workforce changes
- ◆ Manage employee relations and consultation comprehensively and sensitively in relation to workforce change
- ◆ Work in partnership to support the IJB on the integration of health and social care

Engagement and Culture: continue to develop effective communication and engagement across the workforce to sustain and improve engagement in a challenging environment.

We have defined employee engagement as the discretionary commitment and enthusiasm people give to the Council, their services and their colleagues, which means we can provide better services and that it matters to employees that the Council does well. In progressing our employee engagement programme, the Council wants to enable people to be the best they can be at work and recognises this can bring advantage in achieving efficient, high quality services.

The 2017 Employee Survey results demonstrated a sustained continuous trend of improvement. The results from the 2019 will be used to continue to monitor the views of the workforce and to inform where and how the council focuses resources on improving employee engagement and workforce culture.

To improve employee engagement and enhance workforce culture we will continue to:

- ◆ Deliver the employee engagement programme with a focus on supporting the future design and review of council services associated with modernisation, improvement and transformational change as well as to ensure it continues to provide for workforce engagement generally;
- ◆ Seek to embed actions to improve and promote a positive workforce culture and improve employee involvement and influence in the workplace.
- ◆ Review and refresh work to enhance people management activity, training and consistency

Leadership Development and Capacity: prepare and develop current and future leaders to meet the demands of local government of the future to ensure the continuous improvement of services.

Long term constraints on public spending continue to require innovative approaches to services with a focus on preventative spending through early proactive interventions. Partnership and joint working is increasingly important as part of this agenda to ensure that services respond to local needs in a cohesive manner.

Management and leadership skills and capacity are a key priority to enable the culture of the organisation to adapt and change to meet the challenges of changing service delivery particularly within the context of reduced budgets. 2017 employee survey results illustrate that while there has been some impact in terms of the improving consistency of management practices there remains scope for further improvement. Training on Moray Management Methods (MMM) which are aimed at developing consistency of management practice across the organisation will continue in order to support the Council to focus on delivering results for customers and being more outcome-driven. The Leadership Forum for senior managers will continue to support corporate direction, providing a platform for strong visible leadership and a versatile programme of leadership and management development activity has been designed and implemented to allow the council to maximise use of available funding and partnership working.

To develop leadership capacity we will:

- ◆ Further develop and embed the versatile leadership development programme that develops the skills and behaviours necessary for the political, corporate and strategic direction and leadership the council requires
- ◆ Continue to enhance management and supervisory training to improve consistency of and adherence to clear management standards and support the implementation of MMM and a more positive workforce culture.
- ◆ Provide elected member support, training and development required for effective leadership of the Council.

Workforce/Employee Development: ensure that employees have the skills, competencies and experience required and are prepared to meet current and future requirements

The workforce development section in the corporate plan sets out how the council needs to develop over the coming years in order to respond to demands and deliver the priorities set in the ten year plan. This is reviewed by the Council to allow the workforce development requirements to be reassessed. The centralised approach to the design and delivery model for training ensures that the overall resource continues to be effectively allocated and managed to meet agreed council priorities.

It is recognised that during times of uncertainty and change employees need to be prepared for changes and the impact on jobs but also need to be supported to continue to deliver their current roles. Therefore, these themes will be addressed in the corporate training and development provided.

To address these issues we will:

- ◆ Monitor learning and development activity across the council and ensure it is aligned to the corporate and OD priorities;
- ◆ Provide training and development activities to meet the prioritised requirements as efficiently as possible.
- ◆ Continue to develop the quality of the employee review experience, while ensuring that all employees have the opportunity to participate in a review process on at least an annual basis
- ◆ Review Management Appraisal Framework
- ◆ OD support provided to services as required

Health and Well-being: pro-actively support the health and well-being of employees.

The most recent performance information (2017/18) indicate a slight increase in absence figures with Moray sitting slightly above mid table within the rank order of local authority benchmarking for absence for Teaching staff and just at mid table for the local government workforce. The main causes of absence in the Council remain consistent with the wider workforce with mental health and musculo-skeletal disorders continuing to be the main reasons for absence. Recommendations from national research into the effects of work on mental health are being considered within the context of the Council's current approach and any changes will be managed through the workforce culture work. The Council continues to take a low key approach to promoting health in the work place and will continue modest activities for 2019 to support the health and well-being of the workforce.

Analysis of absence figures and trends enables targeted action to be taken in areas where absence is most problematic and this work will continue in 2018/19.

The Annual Health and Safety report identifies the need to continue to develop the safety culture of the council so that managers and employees are equipped and empowered to take responsibility for and give priority to health and safety as well as take a more planned approach to monitoring and compliance. There continues to be an emphasis on improving awareness of key health and safety systems, including

involving the workforce as safety representatives and sharing experience and lessons learned.

To address these issues we will:

- ◆ Support the implementation of the Council's Health and Work policy to deliver ongoing improvements in absence levels, incorporating nationally recognised recommendations where appropriate
- ◆ Manage risks well by implementing our health and safety system effectively including planned programme of audit work, ensuring suitability of the policy framework and improved contractor control
- ◆ Share our success and learn from our experience of health and safety practice

Workforce and Succession Planning: address workforce issues in relation to demographic changes and skill shortages and develop strategies to address the consequences.

The main issue in relation to workforce planning continues to be the long term reduction and change to the workforce that is referred to above. Therefore, while there may be specific issues in certain areas, these have been identified in workforce planning activity undertaken with services and will be taken forward at service level. The Council also plans to continue to use natural turnover in the workforce to manage downsizing over time. So far, this approach has been successful and with careful management it is expected this will contribute significantly to the planned reduction in employee numbers over a number of years.

The Education and Social Care service in developing the early years' provision is planning ahead for early years' workers and across all service areas there remain challenges in securing certain professional, expert and senior staff, including craft workers. The Council is supporting the development of the young workforce in Moray and opportunities to undertake work that supports both of these objectives is being considered.

The development of the young workforce is important both in relation to addressing future skills gaps within the Council workforce and for the growth of the Moray economy in terms of retaining and returning young people to the area and ensuring a strong foundation of appropriate skills in the community. The Council has reviewed the corporate approach to apprenticeships taking account of these requirements as well as the difficulties posed by prolonged periods of financial constraint and workforce contraction and will continue to develop apprenticeships where possible within the current environment.

To address these issues we will:

- Continue to actively manage vacancies to prepare for future changes
- Work with services on specific challenges (such as early years)

Recruitment and Retention: ensure that Council services are as well-resourced as possible by making the Moray employment package as attractive as possible and deploying appropriate recruitment strategies.

Workforce planning has in recent years identified difficulties in recruiting a number of specialist public sector posts. While there could be longer term solutions to recruitment difficulties such as providing development opportunities aimed at specific hard to recruit areas, possibly including enhancing the employment and training opportunities for young people in Moray, the wider situation in some areas e.g. the Care At Home service is exacerbated by the drive to recruit an expanded early years' workforce, the candidate pool for which is similar.

While recent recruitment issues associated with teaching posts has lessened slightly following a mix of local, regional and national interventions, there remain residual issues in relation to some secondary subjects and promoted posts. While this is in part due to a national supply shortage, there is added complexity from the rural nature of Moray and our small schools, which attract lower salaries for promoted posts.

Following a period of limited work on recruitment issues, due to prioritisation of resources, options will continue to be considered and prioritised for development along with service management. The presentation of the Council's employment package would also benefit from review and modernisation and while this has progressed slightly, this will also be undertaken as other work permits.

To address these issues we will:

- ◆ Consider recruitment and retention activities to promote employment opportunities and profile of Moray Council
- ◆ Establish clear pathways for support, training and experience for professional development for professional and specialist posts (grow your own)

Reward and Recognition: have in place fair and competitive pay and conditions that are recognised as such and are free of bias.

The Council has to monitor and sustain its pay arrangements and ensure that the overall employment package continues to be fair and free of bias. The Council's third Equal Pay Audit was undertaken in 2019 and no significant issues were identified for attention.

Developments in the national pay strategy are impacting on local pay and grading arrangements for the SJC workforce. In particular there are issues associated with the living wage as it has increased at a rate above inflation each year which is now eroding some of the pay differentials established by job evaluation. The specific parameters of the most recent Scottish Joint Council salary agreements have increased the priority now required to progress consideration of the impact on the pay and grading structure.

Pay and conditions represent a significant spend for the Council and it is important to ensure that these are aligned to council priorities, reflect service demands and represent both good value for the employer and fair pay to the employees. As the period of financial pressure and constraint continues, terms and conditions remain under added scrutiny to potentially offset costs from pressure on the pay structure should this become necessary.

To address these issues we will:

- ◆ Develop options that consider how best to manage the long term impact on the pay structure arising from the living wage and other pay related issues
- ◆ Ensure that jobs are well designed and defined to meet future service needs

Other Actions:

There are a number of other actions that fall out with the above categories that contribute to how the Council manages its workforce:

- ◆ Employment Policies – rolling review programme
- ◆ Responding to legislative and national policy changes
- ◆ Information and system development

9 Plans

The delivery of this strategy is set out in more detail in the Corporate Workforce Plan, which also forms part of the Service Plan for Human Resources and ICT.

These issues will develop throughout the year and the management of the workforce will adapt to address the issues as they emerge. Workforce planning requires a long-term approach and so in a number of areas work will build from research and projects carried out under previous workforce plans

10 Resources

Resources continue to be stretched within the HR service and while this strategy recognises the workforce issues and sets direction, a degree of prioritisation is required as it is not possible to take all of the actions forward. This will be reflected in the workforce plan which is monitored by the Personnel Forum.

11 Review

Monitoring and review of this strategy will take place through the Personnel Forum and CMT with 6 monthly updates which will highlight any workforce plan adjustments required related to the budget and corporate financial planning. The workforce plan will be an evolving document that is modified to respond to issues as they arise specifically including continuous improvement in key areas and ensuring there is a focus on delivery of priority outcomes. There will be a formal annual review of the plan and strategy.

