

CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 13 MARCH 2019

WORKFORCE

Summary

1. The Corporate and Communities Overview and Scrutiny Panel will receive an overview of the Worcestershire County Council Workforce Initiatives, which is part of the Panel's work programme, as requested at a previous meeting.
2. The Cabinet Member with Responsibility for Transformation and Commissioning has been invited to the meeting.

Foreword from the Head of Human Resources and Organisational Development (HR&OD)

3. Since being appointed to the permanent role of Head of HR & OD in July 2018 I have liaised with the new Chief Executive, the Strategic Leadership Team (SLT), key stakeholders and the HR&OD Team to review and re-prioritise the HR&OD service and organisational landscape, to evaluate our offering and identify areas for development and improvement.
4. The HR&OD team are embedding a new operating model which saw the team centralised and introducing new standardised, streamlined and simplified processes and policies. The HR&OD service has seen a planned continual reduction in capacity since 2016 which is predicated on a number of processes being system enabled (e.g. Mercury HR (iTrent) contracted via Liberata). This work is undoubtedly still ongoing which has led to a number of pressures and increased demand on the service.
5. Through my review, a number of key priorities emerged where HR&OD could make improvements to policy, practice or process to support the business and further develop the service it provides.
6. Worcestershire County Council (WCC) has historically taken a traditional approach to upskilling its work force with a significant investment in classroom based learning programmes, supplemented by E-Learning, formal qualifications and some bespoke development initiatives. Whilst this approach delivers a high level of delegate satisfaction, the ability to clearly demonstrate the impact back in the job has been limited in nature and the data collection capability of the Council is limited and labour intensive, however investment is being sought via Mercury HR to improve this position.

7. As part of the WCC redesign, we are looking at the resources required (headcount and budget) to support upskilling as well as the team capabilities required to do this in a much more digital age where technology is increasingly being used in learning provision and where a 'set-piece', classroom based approach to upskilling is increasingly being replaced with more bespoke, innovative and customised learning opportunities.

8. This report aims to set out activity around key areas of focus in the last 12 months. The breadth of services provided by HR&OD is both varied and complex and it is not possible to cover all of these in this report. As way of showing the breadth of workforce areas covered, Appendix 1 shows the current HR&OD business plan on a page which sets out all areas of activity.

Background

9. Members will be aware that the HR&OD Team has been centralised since 2016 under a new operating model, designed to give strategic support to leadership teams through Strategic HR Business Partners supported by operational and specialist teams. This has reduced duplication of having directorate specific HR teams, providing a more consistent and efficient approach which mitigates risk. Structurally, the capacity of HR&OD has reduced year by year since 2015 (to date) whereby the team was running with a number of key vacancies in particular at HR Business Partner level. I have assessed recruitment to these posts as crucial for the effective operation of the service.

10. Over the last 12 months a particular emphasis has been placed on the performance and productivity of the workforce in addition to workforce initiatives that could directly achieve in year savings. This meant that the last 12 months has focussed specifically on the following areas:

- Performance Review compliance
- Attendance Management at work
- Voluntary Redundancy Scheme
- Agency spend reduction
- Christmas annual leave purchase scheme
- Social Work Recruitment
- Apprenticeships
- Social Work Academy

11. Previous years' performance review data highlighted a need for improvement in order to build a climate of high performance and productivity, as low levels of compliance (on average around 60% over the last 4 years) combined with higher than average performance rating distribution raised concerns regarding the visibility, consistency and accuracy of performance ratings. In addition, an increased sickness absence trend, against a national backdrop of a decline in absence posed a considerable cost to the organisation in terms of lost productivity.

12. A further area of focus was the Council's ability to attract and retain social workers, as a crucial part of our service improvement plan to address Ofsted ratings and improve the quality of our service and as a direct way of reducing excessive agency costs.

13. As a public sector employer, Worcestershire County Council is required to register an average of 2.3% of its total workforce on to new apprenticeships each year between 2017 and 2020 (approx. 74 per annum). This number can be new apprentices recruited or existing staff who enrol on an apprenticeship programme to upskill or achieve a qualification.

14. Our HR plan co-ordinated and consolidated these strategic activities in order to plan and track our approach and measure success. In addition to this structured plan the team has adopted an agile approach to emerging issues, such as the recent financial challenges, by supporting the business to run a Voluntary Redundancy Scheme and lead on other HR&OD initiatives, including launching a Christmas annual leave purchase scheme and targeting a reduction in agency spend through a 'forced break' of up to 20 working days.

15. It was important that the Council did not lose sight of the need for succession planning as a way of retaining skilled staff and so other areas of focus have been on being awarded employer provider status so as to allow us to implement an apprenticeship programme.

16. This report provides the additional information requested by the Panel, together with additional background information around workforce activity over the last 12 months in addition to identifying areas of focus for the next 12 months.

Future Workforce Priorities

17. Looking ahead, future priorities include focussing on WCC's agency spend and evaluating best value options for resourcing, to ensure the right resource is in the right place at the right time and cost.

18. A key priority for 2019 is the establishment of a wholly owned company, Worcestershire Children First and the associated people activities, including set up and TUPE transfer.

19. In addition, HR are crucial to supporting WCC in its organisational redesign project in 2019 which is council wide, involving engagement at all levels from staff volunteers to the strategic leadership team, Chief Executive and Members. It will focus not only on the function and form required to deliver WCC services effectively, but the skills and capabilities required to support this delivery.

20. Future skills and learning will also be a huge HR&OD priority. We will need to continue to use a formal learning needs analysis process to identify future short term, and other capability skill needs. This process provides insight into directorate requirements which includes apprenticeships. WCC's L&D 'offer' reflects these needs on an annual basis where evaluation processes are used to establish satisfaction with these programmes and courses. Individual learning needs are identified through the performance appraisal process. Individuals and their line managers use the corporate L&D provision including the Social Work Academy and the Apprenticeships team to improve individual performance.

21. Many of the roles in WCC (e.g. social workers) have formal capability requirements set by their professional bodies and these requirements are also used to inform the L&D provided. These professional capability requirements often align to progression and career development opportunities.

22. Longer term strategic learning and development requirements are drawn from WCCs strategic plans and have been used in the past to develop programmes such as our Leading or the Future programme.

23. The WCC Redesign programme is looking at 'future WCC' and as part of this we will be looking at not only the roles that will be required in the future (which will be picked up as we design future-fit organisational structures) but also the skills and capabilities required.

24. We have an active and enthusiastic group of staff volunteers (c. 120) working with our subject matter experts to identify these requirements. These are expected to include short term skills-based needs e.g. to improve our technical capabilities in areas such as IT and also those with a more behavioural aspect e.g. working in partnership with other public sector organisations such as the NHS.

25. We anticipate that the modern skills and capabilities that will be required to keep pace with best practice and ensure we are future-fit will require investment, not only in L&D provision, but may also involve new delivery models. It's immediately clear we must invest in skills and capability development, in particular in digital, partnership working and commercial and commissioning. As part of this we expect to invest in developing out leaders and managers.

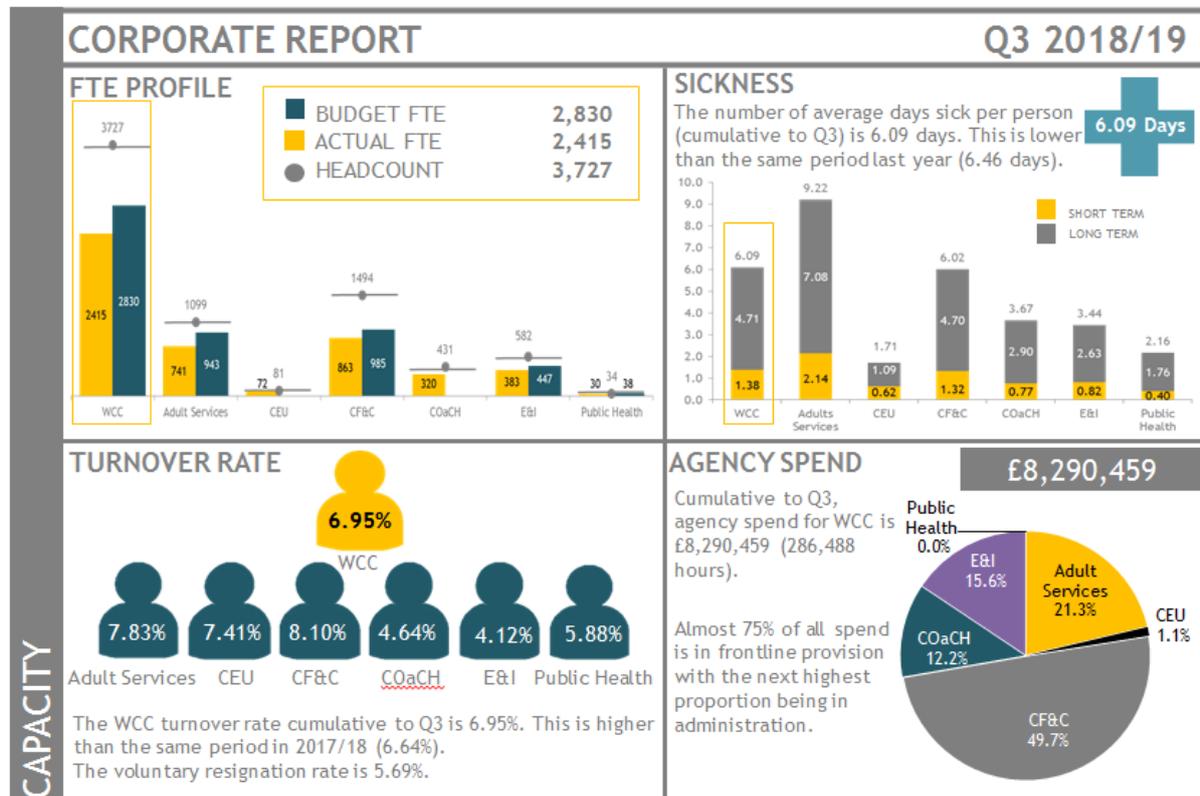
26. A future priority is to recruit talent to meet WCC's needs. Where needs are identified for example; increasing the number of qualified social workers, reducing our dependence on agency staff, we have successfully developed and delivered effective recruitment campaigns to meet this need. Similarly, we use the learning needs analysis process to identify requirements for apprentices – building and 'growing our own' skills and capabilities to meet future needs.

27. An example of this is the work we are currently doing to enable social care workers to progress into qualified social worker roles, through investing in relevant apprenticeships. We are further developing our approach to the apprenticeship levy by developing a formal Apprenticeship Strategy – this will highlight those areas where we can develop internal talent to fill roles which are otherwise hard to fill.

28. This solution isn't appropriate in all cases however, where there are not internal solutions, we look to use a variety of mechanisms to ensure we can recruit these include developing targeted recruitment campaigns, offering existing staff the opportunity to refer people in their network to us (for a modest payment where a successful appointment is made) and where it is not possible to fill roles through these means, to use mechanisms such as market supplements and incentives where appropriate.

Current Workforce Position

29. The following provides the current 'high level' workforce statistics for WCC taken as at the end of quarter 3 2018/19:



Position statement and progress to date since January 2018

Staff review and development (SRD):

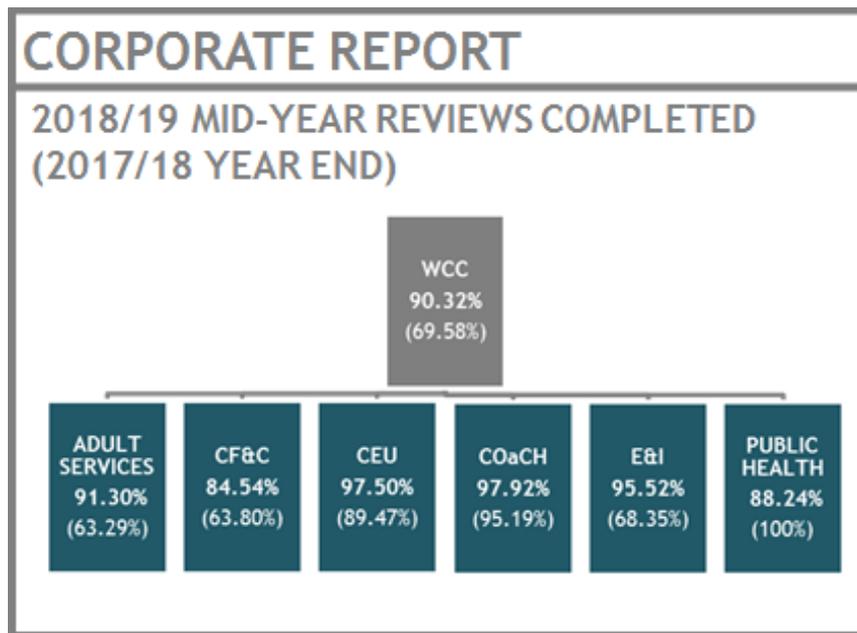
30. In the 17/18 performance year c.60% of annual performance reviews were recorded in the Mercury system. The data also showed a skew towards higher than average performance ratings, with little or no recorded underperformance in the directorates.

31. This raised concerns about our awareness of existing performance levels in the business and the accuracy and consistency of those ratings. To address these issues the HR & OD team undertook a core policy review which included a refresh, re-write and relaunch of our managing performance policy. The new policy was approved by our Trade Unions and launched in September 2018. It is now more clear, concise and user friendly. Focussed briefings were provided to line managers to ensure that they understood the changes.

32. In addition to the new performance policy the team turned its attention to the issue of compliance with the review process. Clear communications endorsed by the Chief Executive were issued regarding the importance of a performance culture and a mandatory mid-year rating process was introduced, whereby managers submitted an indicative mid-year rating for their direct reports. Managers were informed that unreasonable failure to submit a rating would lead to themselves being rating as development needed. HR Business partners

worked closely with their directorate leadership teams to provide regular compliance reporting working to a target of 80% review completion per manager at mid-year rising to 100% completion by year end. This resulted in a mid-year compliance rate of 90% as an average across WCC compared with the previous end of year compliance rate of 62% (an increase of 28%). This was a significant improvement and has kick started the business on its performance journey. Compliance is at its highest rate in over 5 years.

33. The following shows the current compliance and assessment rating levels as at the end of Quarter 3 2018/19:



34. The next phase of the long-term performance strategy is a series of moderation sessions led by HR Business partners within their directorates to review and challenge ratings, to look at relative performance and establish consistent standards.

35. Over the next 18 months, key areas of focus within performance management include; improving line manager capability, the quality of objectives, establishing a clear golden thread from corporate plan to service plans and individual objectives, driving performance and behaviour consistent with corporate values and manager competencies, differentiating performance, identifying and managing talent and improving system enablement and manager self-service.

Attendance Management at work

36. As part of a review of our core policies the attendance management policy was refreshed and rewritten in September 2018 to provide clear expectations around attendance and sickness absence levels and a robust policy within which to manage absence. The launch of the policy has been resource intensive with training rolled out for managers and HR advisors attending all formal

meetings in order to stimulate buy in and ensure the policy is applied consistently.

37. Steps taken in managing attendance at work include:

(i) Revised formal trigger points as follows:

Where an employee is absent due to illness on 5 episodes within a 'rolling' 12 month period

OR

Where an employee is absent due to illness on 3 episodes within a 'rolling' 6 month period

OR

Where an employee is absent due to illness for a total of 10 working days during a 'rolling' 12 month period

(ii) Mandatory 'consideration' of a case where a formal trigger point is hit

To date this year (2018/19) WCC has had an upward trend in terms of sickness levels which is of concern. The new policy provision and upskilling of managers is a direct intervention to reduce sickness absence levels in WCC. Since policy roll out in September 2018, quarter 3 (Oct, Nov, Dec) has seen a reduction in sickness levels for the first time this year and whilst it still requires dedicated HR support to drive and embed the change, this early data seems indicative that we are beginning to reap the benefits of this increased focus, increasing awareness and adherence to process.

Apprenticeships

38. The Government introduced the Apprenticeship Levy in 2017, this required organisations with an annual pay bill of £3m (or more) to pay a levy calculated on 0.5% of the total pay bill. The Government also introduced the Public Sector Apprenticeship target, which obligates WCC to report on achievement/non-achievement of this target each September.

39. Since May 2017 WCC has paid the levy on a monthly basis. The levy payments are deposited in a Digital Account and can be drawn down to fund apprenticeship training. The government applies a 10% top up to WCC's Levy payment and credits it to the Digital Account.

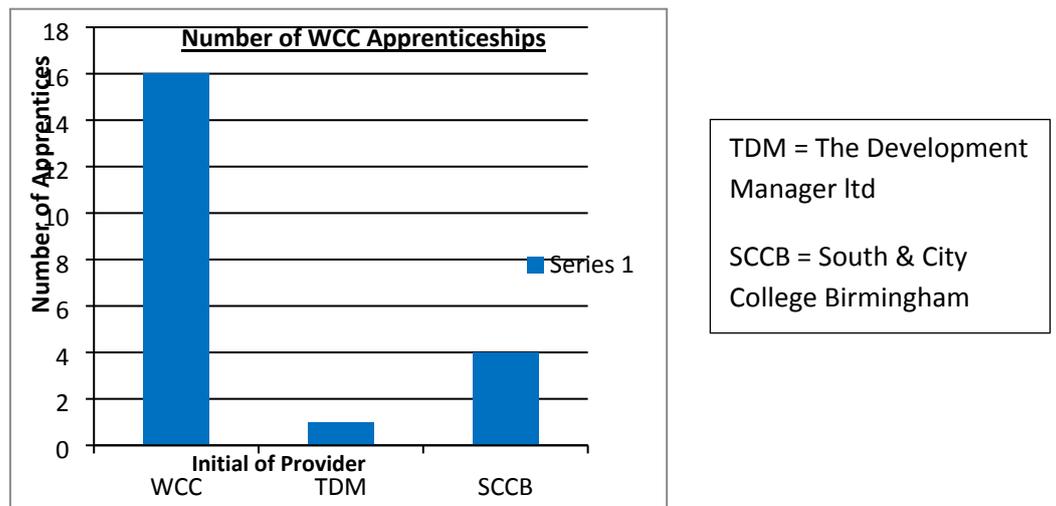
40. The levy payments expire after two years. The Levy is paid in May 2017, if still unspent in May 2019, it will be taken back by government and used to fund apprenticeships in non-levy paying organisations. This applies each month thereafter.

41. The funds in the Digital Account are available to fund the legitimate training costs only of apprenticeships undertaken by WCC employees and delivered by ESFA approved and registered Training Providers.

42. As a public sector employer, Worcestershire County Council is required to register an. average of 2.3% of its total workforce on to new apprenticeships each year between 2017 and 2020 (approx. 74 per annum). This number can be new apprentices recruited or existing staff who enrol on an apprenticeship programme to upskill or achieve a qualification.

43. The Vocational Qualifications Team based within HR&OD has successfully achieved ESFA Employer Provider status and can deliver a number of apprenticeships to staff working within WCC or connected companies. This allows WCC to retain the full amount of levy claimed for each apprenticeship programme.

44. Apprenticeships currently being funded by the WCC Levy (excluding schools):



45. Now the Council has secured employer provider status is allows us to specifically target our cohort number of apprentices as determined through directorate leadership teams and through our workforce/succession plans.

Social Worker Recruitment in CFC

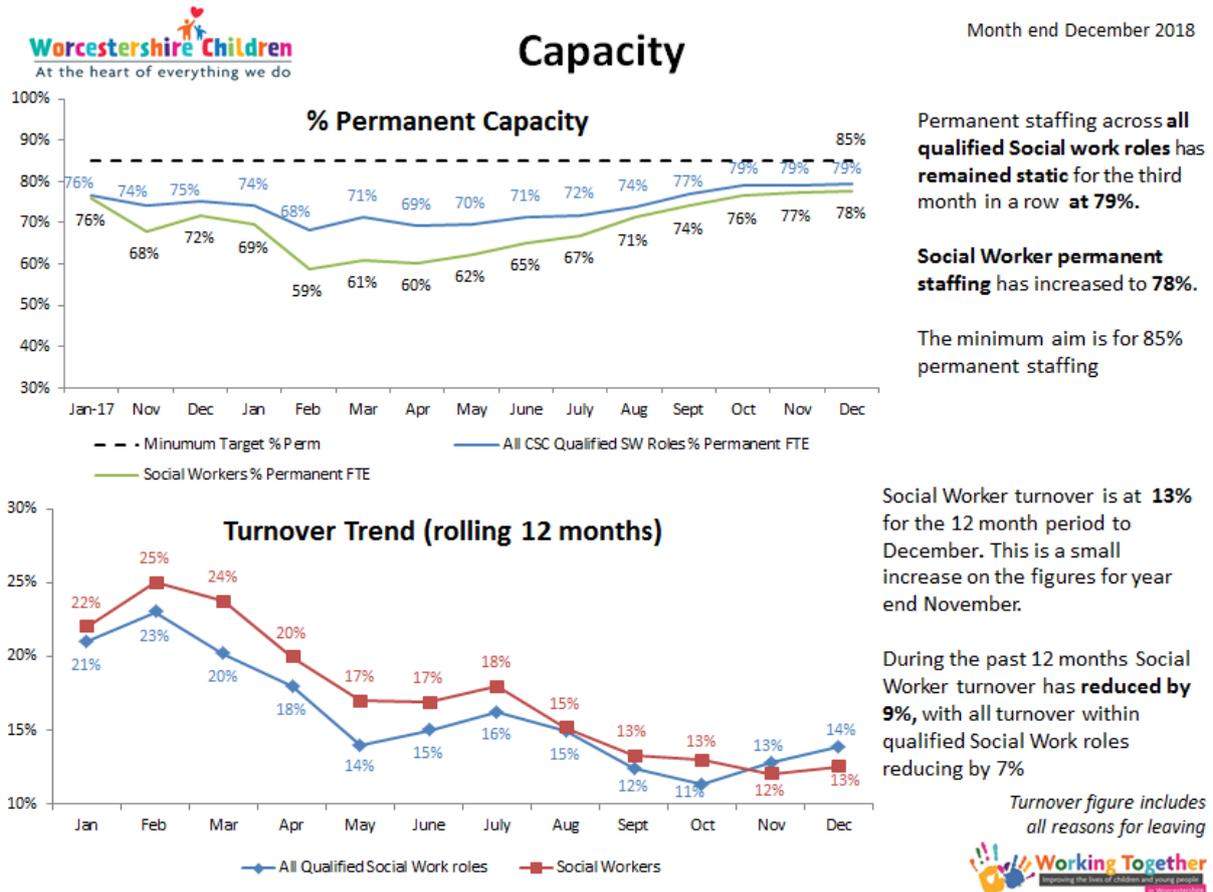
46. We have successfully developed and delivered effective recruitment campaigns to increase the number of qualified social workers (in order to reduce our dependency on agency workers and stabilise the workforce). Similarly, we use the learning needs analysis process to identify requirements for apprentices – building and 'growing our own' skills and capabilities to meet future needs.

47. An example of this is the work we are doing at the moment to enable social care workers to progress into qualified social worker roles through investing in relevant apprenticeships. We are further developing our approach to the apprenticeship levy by developing a formal Apprenticeship Strategy – this will highlight those areas where we can develop internal talent to fill roles which are otherwise hard to fill.

48. We have a dedicated social worker recruitment team which identified that delays in the process for onboarding and employment checking administered through our outsourced provider was resulting in significant delay in recruitment and maintaining and optimising staffing numbers. To address this the team took

the process back in house to ensure a seamless end to end process which minimises delay in start date.

49. The following provides data showing progress since January 2018:



HR&OD lead savings initiatives

Voluntary Redundancy (VR) Scheme

50. The County Council introduced a discretionary voluntary redundancy (VR) scheme in November 2018 as a mechanism to reduce cost to address our financial deficit and to avoid the potential for compulsory redundancies.

51. WCC received 95 applications for VR and 26 Expressions of Interests (EOI) (which showed indicative interest subject to a formal request) c. 40 applications were provisionally agreed with exit dates ranging from December 2018 to June 2019 (subject to formal dismissal meetings). The annual combined salaries for these applications was c.£1.2m.

52. The scheme was devised, designed and implemented by HR&OD and rolled out within tight timeframes to enable the business to respond quickly to its financial challenges. This was the first council wide scheme of its kind and whilst there were

those who were naturally disappointed that their application was not approved, on the whole the scheme was well received and ran smoothly.

Forced agency break

53. As a direct way of reducing agency spend HR&OD led on an initiative to put in place a forced agency break over the Christmas period. The following was put in place:

(i) **For non-front line:**

- A forced break of **7 working days** over the 2 week period (24th Dec to 4th Jan) (Christmas to New Year)
- **An additional 13 days (pro-rata)** break to be agreed over the period 1st Dec to 31st March
- Exceptions to be agreed/approved by the relevant Head of Service/Director

(ii) **For front-line:**

- No forced **7 working day** (as above) break for front line agency staff to ensure critical business delivery in front line areas
- However, line managers to consider if they can factor in a break of between 1-20 days between 1st Dec – 31st March

54. This has resulted in an agency cost reduction of c.£260,000 to date over the Christmas period with further agency reductions being projected by end of year 2018/2019.

Christmas/New Year annual leave purchase scheme

55. Another HR&OD savings initiative was to introduce a Christmas/New Year annual leave purchase scheme, applicable to all staff. This enabled staff to purchase up to a maximum of 3.5 days which was matched by the Council over the weeks 24th Dec to 4th Jan 2018. This was well received and caused minimal, if any impact to service demand as all areas were able to accommodate the leave during a period when demand on services tends to reduce (excluding front line provision).

56. This led to savings of c. £110,000 being generated with over 7400 hours being purchased.

Social Work Academy

57. In the last 12 months WCC has established and launched a Social Work Academy to focus on the professional development of social workers in both Adults and Children's. The Academy is responsible for providing support to newly qualified social workers and the continuing professional development of all other social workers. This includes not only specialist capability development e.g. for Practice Educators but also for core skills development such as safeguarding.

58. The Academy plays an important role in 'horizon scanning' – ensuring that external requirements e.g. emergent standards from Social Work England are reflected in the development provided for social workers. The Academy is also involved in developing our social work cadre e.g. through the work underway to

provide apprenticeships for social care staff wishing to progress to qualified social worker status.

59. The Academy is at the forefront of developing new, more modern approaches to capability development e.g. through the use of action learning sets and is critical to WCC being able to recruit and retain social workers.

Conclusion

60. In conclusion, the information contained in this report and the outline of provision contained provides an overview summary of the HR&OD workforce initiatives prioritised over the last 12 months.

61. Focus on these had led to success however it is essential that there is a relentless continued focus on the workforce over the next 2-3 years with the organisation design review being a key project in determining the future workforce for WCC in delivery of its outcomes. This will undoubtedly lead to a change in the types of roles and skills required in future. HR&ODs ability to react and focus on these changing priorities is essential in a climate of continual change.

62. Officers continue to work to maximise the effectiveness of our workforce.

Purpose of the Meeting

63. The Corporate and Communities Overview and Scrutiny Panel is asked to:

- Consider the information in the update
- Determine whether it would wish to carry out any further scrutiny, and
- Agree whether it would wish to make any comments to the Cabinet Member with Responsibility for Transformation and Commissioning.

Supporting Papers

- Appendix 1 – Human Resources & Organisational Development Business Plan 2018/2019

Contact Points

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APPENDIX 1 - HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT BUSINESS PLAN - 2018/2019

CORE HR & OD SERVICES

<p>HR Operations Delivery – providing advice on HR policy, restructuring & change, redundancy, TUPE transfers, discipline and grievances, performance management, and sickness absence.</p>	<p>Learning and Development Delivery - providing opportunities and solutions or learning across the whole of WCC. This includes internal delivery, commissioning of external training providers, coaching, health and wellbeing and e-learning.</p>	<p>HR & OD Business Partnering - working in partnership with one or more Directorates to shape and implement HR strategies and activities at a Directorate level.</p>
<p>Social Work Recruitment - supporting all aspects of the recruitment process for adults and children's social workers.</p>	<p>HR & OD Service and Commissioning – client/contract management, job evaluation/grading and reward, Local Government Pension Scheme, Disclosure and Barring, Equality and Diversity, HR and OD communications, HR Performance, and Budget Management.</p>	<p>HR & OD Strategy - delivering business benefits through strategic HR & OD innovations in areas such as reward, staff engagement, and talent management.</p>

HR & OD PROJECTS

Capacity	Capability	Culture and Environment
<ul style="list-style-type: none"> ❖ Social Work recruitment ❖ Agency procurement ❖ Corporate Parenting Pledge (<i>work experience</i>) ❖ Channel shift (<i>embed new operating model/policies/self-serve</i>) ❖ HR&OD restructure (<i>3 year plan</i>) ❖ Service delivery model (Liberata Link) ❖ Executive recruitment / Talent acquisition ❖ New VIPS Model 	<ul style="list-style-type: none"> ❖ Social Work Academy ❖ Career Management (<i>career pathways</i>) ❖ Talent Management programme ❖ Performance management ❖ Digital L&D Strategy ❖ Competency framework (HR Operations Delivery Team) ❖ HR management information (MI) platform ❖ Apprenticeship Programme ❖ Core Policy modernisation 	<ul style="list-style-type: none"> ❖ Staff Engagement Strategy ❖ Guaranteed Minimum Pension reconciliation ❖ LGPS software update ❖ One training procurement ❖ One Worcestershire – partnership opportunities ❖ Mercury HR Establishment project

WORKSTREAMS (OUTPUTS/LEARNING SHARED ACROSS ORGANISATION)

Children, Families and Communities Workforce	Alternative Delivery Model - CFC	Workforce Spend Review
<ul style="list-style-type: none"> ❖ Pay Review ❖ Agency Supply ❖ Management capability & development ❖ Leadership & Culture ❖ Social Work Recruitment ❖ Social Work Academy ❖ Workforce planning ❖ SEND Review ❖ GPT work ❖ Performance Management ❖ Improvement Partner Outputs ❖ Learning Needs Analysis (LNA) & Training Plan 	<ul style="list-style-type: none"> ❖ ADM Steering Group ❖ Competency framework (Case & Change) ❖ Business Case Workshop participation – Support Services, Technical & Financial, Vision & Objectives, Conclusions ❖ Design ❖ Recruitment ❖ Implementation 	<ul style="list-style-type: none"> ❖ Total Reward review (incl. pay & grading) ❖ Terms & Conditions ❖ Governance & Management Best Practice ❖ Workforce Size & Organisational Capacity