

**Open Report on behalf of Debbie Barnes, Executive Director for Children's Services**

Report to:	<b>Overview Scrutiny and Management Board</b>
Date:	<b>25 October 2018</b>
Subject:	<b>Council People Management and Workforce Plan 2018 - 19 Progress Report</b>

**Summary:**

This Council's People Management (PM) and Workforce Plan includes the co-ordinated programme of projects and activities, informed by HR and workforce data, which are designed to address:

- a) the longer term workforce planning challenges to mitigate the corporate risk of recruiting and retaining key skills
- b) any immediate HR or workforce challenges impacting on the Council

The purpose of this report is to provide a summary of current HR and workforce performance data, and the current actions being implemented, as well as an overview of the medium/longer term corporate projects in flight.

The corporate projects support specific Director Area workforce planning and development strategies which are being progressed. Detail of Director Area strategies are not included in this report, each being at different stages of development.

**Actions Required:**

The Overview and Scrutiny Management Board is asked to note and comment on the actions taken and progress achieved to date.

## **1. Background**

### **1.1. Council People Management and Workforce Plan Overview**

The Plan is overseen by the Lincolnshire County Council (LCC) People Management Service, on behalf of Corporate Management Board (CMB). It is delivered through working in partnership with the Serco People Management Service, the Workforce Planning and Development leads in Director Areas, and Director Area Management Teams (DMTs).

As the corporate framework for the development of workforce planning and development strategies, the overall outcome is to ensure the Council maximises organisational capacity, performance and resilience to deliver the Council's objectives. This means:

- Working as one Council and, through the Council's partners, to deliver effective and efficient services
- Developing and supporting all Council employees to do their jobs well to deliver the Council's priorities for the benefit of our customers and communities
- Having the right skills, in the right place, at the right time, to the required capacity to deliver the Council's priorities at the agreed standards
- Developing and retaining professional skills through further development of 'grow your own' career pathways

## **2. Priority developments for 2018 and beyond**

To address these outcomes, the priorities for 2018 - 19 have been identified in consultation with CMB with the focus on the following three organisational outcomes:-

### **2.1. Be Performance Driven**

Continuing to develop and retain excellent employees and to build high performing teams at all levels across the Council, driving performance through increased productivity and innovation; focusing on individual development by increasing coaching and mentoring opportunities; effectively managing workforce change and transition.

### **2.2. Increase Employee Engagement**

Maintaining a positive and sustainable environment where employees feel able to engage with colleagues to shape the future of the Council; focusing on the wellbeing of our employees; providing modern benefits; continuously developing engagement of managers and key stakeholders by providing up to date employment guidance and insightful HR management information.

### **2.3. Be an Employer of Choice – specifically attracting and developing talent**

To attract and source new talent by taking stock of and sharing what the Council does well; providing excellent opportunities for career development for the workforce from entry level roles through to senior leadership; ensuring the workforce includes flexibility to weather the changes the Council will face in the short, medium and long term.

### **3. Corporate HR and Workforce Management Information**

Together with other organisational information, HR and workforce management information informs the priorities for the Workforce Plan projects as well as the solutions required to address current and future HR and workforce challenges. After the initial challenges with the implementation of the Agresso system, there have been significant efforts to input and validate data over the last 12 months, where managers have received assistance from the Business Support Teams.

There is currently no external benchmarking data or internal historic trend information included in the report. This will be further developed as part of the project to improve HR and workforce performance data. The outline project plan will be reported to the November meeting of the Overview and Scrutiny Management Board.

The commentary in section 3 below, relates to the information reported for Quarter 1 of 2018 (01/04/2018 – 30/06/2018). Appendix A provides illustrations of the data showing the comparisons between Director Areas.

#### **3.1. Number of employments**

At the end of Q1 2018 the Council employed 4,346 employments (an increase in 346 since the same period in 2017.) The main reason for this was the insourcing of Health Visitor teams and Children and Young People nurses, totalling 211 full time equivalent roles from the NHS to Children's Services on 1<sup>st</sup> October 2017.

#### **3.2. Equality data**

The gender balance across LCC is approximately 1/3 male (33.94%) and 2/3 female (66.06%). The highest proportion of male employees is in the Finance and Public Protection Director Area (50.46%). The highest proportion of female employees is in Children's Services (82.24%).

The proportion of the females has increased in the last year from 62%. This increase can be seen across all Director areas but particularly in Children's Services. The NHS transfer included a high proportion of female employees.

Up to Grade 13, all grades are heavily female dominant. Grades 14, 15 and 16 remain the only grades where there are more men than women.

##### **3.2.1. Gender Pay reporting**

In March 2018, the Council published its gender pay gap information for 2017. The median gender pay gap across LCC is 13.5%, meaning that women earn 13.5% less on median average than men. The UK has a national median pay gap of 18.4%.

The report identified that there are no specific issues at Lincolnshire County Council in respect of gender differences in pay. The outcomes of the gender pay gap reporting are reflective of gender pay gap differences generally in society.

This relates to women often being in lower paid roles, specifically part time roles, which tend to be the lower paid roles. This is often because they are the person mainly responsible for childcare. On receipt of the report, the Pay Policy Sub-Committee supported the HR policies that are in place which enable opportunities for female staff to progress, and requested that a report on the work being undertaken to support this, be produced for the 2019 meeting. The 2018 gender pay gap information will be prepared for publication before 30 March 2019.

### **3.3. Age profile**

The highest number of Council employees in any 10 year age group is between 45 and 54 years old. 49% of senior leaders within the organisation are over 50 years old compared to 36% of the whole organisation. This confirms the need for the Council to focus efforts on succession planning.

### **3.4. Voluntary turnover**

Voluntary turnover has remained at a steady rate over the last 2 years, between 8% and 10% - which is a 'healthy' overall turnover rate. As part of the recruitment and retention focus, total turnover of new employees within their first 24 months of employment is also monitored to identify and address any areas of concern and as at Q1 stood at 3.89%. The 2018 public sector average for turnover is 12.9% and within the first 12 months is 10.9%. The Council is performing better than other public sector organisations for both turnover figures.

### **3.5. Agency spend**

There has been a reduction in the usage and cost of on contract agency staffing over the last 3 years. Based on the first quarter of 2018, it is predicted that the amount spent on agency workers in 2018-2019 will be just under 4 million per annum. This is partly due to the implementation of a number of effective recruitment and retention initiatives, reducing the need to cover vacancies.

The total off contract agency spend, where the corporate contracts cannot deliver the skills required, was £1.6m in 2017/18. Based on the first quarter figures this is predicted to fall to £1.1m for 2018-2019.

### **3.6. Days lost due to sickness absence**

The current days lost due to sickness absence is 6.45 days lost per FTE. The data shows that reported sickness absence is lower than the 7.5 sickness days per FTE target. This target will be reviewed next quarter based on recent performance.

Sickness absence in Adult Care and Community Wellbeing has been consistently higher than other Director areas and remains slightly above the days lost target at 7.53. The data provides clear evidence of the positive impact of the actions being taken by Managers, employees and the Absence Management Team.

In Environment and Economy an increase in sickness days per FTE is being addressed by the commissioning of the Absence Management team to carry out in depth audits to ensure that the policy is followed and to assess whether any underlying issues can be addressed by Managers.

The management of sickness absence continues to be a key priority for all Executive Directors and all line managers. The audit undertaken by the LCC Audit team, in June 2018, confirmed substantial assurance levels in relation to the application of the absence management process in the Council.

### **3.7. Reasons for sickness absence**

The highest reported reasons for short term absences (under 20 working days in length) are classified as 'stomach' complaints, (11.39%) and cold and flu (11.01%).

The highest reported reasons across all sickness are muscular (10%) and back and neck problems (9%). By collating relevant sickness reasons under the mental health category, this represents 28% of all sickness days reported.

The Council's workforce health and wellbeing initiatives are therefore focussed on mental health and wellbeing and general fitness.

As part of the revised Health and Wellbeing strategy, there will be further development of mental health and resilience training programme during the course of 2018/19.

### **3.8. Management of employee relations cases**

The number of formal disciplinary and grievance cases open during quarter 1 was 18 and 5 respectively. There have been minor rather than significant fluctuations in the number of cases over the last 3 years.

The high risk cases are monitored by the Director with responsibility for People Management on a monthly basis and where appropriate, challenge is made on how cases are being managed. Formal lessons learned are conducted for complex cases.

### **3.9 Appraisal Meetings Recorded**

The number of appraisals recorded on BWON as at 11<sup>th</sup> October 2018 is 79% of all eligible employees. The Business Support Team will continue to assist managers

to input appraisal data into BWON to ensure that the inputting is accurate and comprehensive. Processes are being developed to capture quality of appraisals.

#### **4. Employee Survey information**

Further to the report to OSMB on 30 August 2018 outlining the positive responses received in the 2017 employee survey. As requested, a report containing a more detailed update of progress will be shared with OSMB in February 2019.

Key areas of corporate focus identified from the survey were:

- IMT
- Property
- Insights into the cause of lower participation rates in some areas and actions to improve this.
- The drivers for 23% of participants not feeling they have opportunities to develop both personally and professionally and actions to improve this.
- Actions to improve levels of awareness of:
  - Employee Benefits
  - Work of other Director areas
  - Performance & Appraisal System

#### **5. Workforce Supply Information**

External workforce trends and population information are reviewed annually to inform the PM and Workforce Plan and includes information about the current and future predicted skill and population trends as well as data on education and youth employment.

The updated 2018 workforce data is currently being finalised to inform the forward planning for the next Workforce Plan. In the meantime the following provides some early indications of key trends emerging.

##### **5.1. Future workforce, Education & Youth Employment**

In Lincolnshire, the population of younger people is increasing at significantly slower rate than for those over 65. This suggests that we need to work harder to invest in younger people who reach working age to be able to replace the older workforce as they retire. It is predicted that the demand for level 4 qualified people in Lincolnshire jobs will outweigh the supply from school leavers in the next 10 years.

Developments in automation and digital innovations may help to offset this reducing proportion of younger people, however there may still be an impact for roles where the level of potential automation or digitalisation will be limited or slower to develop.

The Council needs to continue to develop proactive approaches to ensure that it remains attractive to potential employees, building opportunities for the students of

Lincolnshire and making links with colleges to ensure they are developing the workforce required for the future.

## **5.2. Aging workforce Population trends in Lincolnshire**

Looking further to the future, the data indicates that we are likely to see a continued increase in the age people start having children, the age they are able to buy their first property. Mortgage terms available are longer than ever and the age people retire from working is getting later. These trends increase the challenges for the Council as an employer. Employees are more likely to have caring responsibilities for older relatives and may be looking for ways to maintain employment while winding down their career, such as stepping down from higher levels of responsibility, flexible retirement options and greater flexibility in their working pattern.

## **6. Progress on People Management and Workforce Plan activity**

Appendix B sets out the progress being made on the projects and activities designed to address the corporate priorities identified by Corporate Management Board, and includes the benefits achieved to date and the next steps planned.

It is expected that the 2019 and beyond Workforce Plan will need to continue to focus on the existing priorities, with particular emphasis on ensuring the Council remains an employer of choice – attracts excellent talent and builds our workforce for the future, in light of the Council's workforce profile and the potential skills shortages in the economy.

### **6.1. Benefits Realisation**

The project benefits are measured throughout the lifecycle of the Workforce Plan and are included in Appendix B. It will be possible to measure some benefits through the year, whilst others require more long term monitoring and will not be fully realised until 2019/20. All workforce projects link directly or indirectly to the 3 strategic performance indicators:

- council commitment to be a good employer;
- sickness absence;
- employee turnover.

The realised benefits are audited including internal audits of people management practices across all Director areas.

There are 2 internal audits which have taken place or are planned during the 2018/2019 financial year, relating to the Council's approaches to developing the future workforce including implementation of apprenticeship reforms and strategic workforce planning.

## 7. Conclusion

Overall the projects within the PM and Workforce Plan are being delivered on plan and evidence is being captured that supports the achievement of the planned benefits. Further work is being progressed to capture and use additional data to inform the solutions required to address current and future workforce challenges. The associated outline project plan will be reported to the November meeting of the Overview and Scrutiny Management Board.

From December 2018 to February 2019, the Corporate Management Board will determine the People Management and Workforce priorities for 2019-20.

## 8. Consultation

### a) Have Risks and Impact Analysis been carried out?

Yes.

### b) Risks and Impact Analysis

The strategic risk of the ability to recruit & retain staff in high risk areas has been considered. The Council recognises that our staff are a valuable resource that requires investment by the council to help sustain their health & wellbeing. Low risk options are taken (averse) to minimise exposure. The current risk score is limited. The target risk score is improving. Monitoring of this risk is the responsibility of the Audit Committee.

There is improvement compared to the previous year, however assurance remains limited as there are still a number of key new and developing controls to be implemented over the course of the next 12 months.

## 9. Appendices

These are listed below and attached at the back of the report	
<b>Appendix A</b>	Corporate Workforce Management Information
<b>Appendix B</b>	Corporate People Management and Workforce activity update

## 10. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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