



## CABINET

**Subject Heading:**

People Strategy

**Cabinet Member:**

Councillor Damian White

**SLT Lead:**

Jane West

**Report Author and contact details:**

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**Policy context:**

The proposed adoption of the People Strategy and activities required to assist its success are intended to support and develop a workforce that can meet the current and future needs of our residents. This strategy sets out the approach to working together to ensure that everyone has the right tools to deliver the Council's priorities and ambitious plans for a better Havering.

**Financial summary:**

The proposals in this report require a one-off investment of £794,400, to be spent over 24 months, and an ongoing annual investment of £169,000.

In return for this investment, the council will benefit from a revenue saving of an estimated £1,000,000 and a range of non-financial benefits including increased productivity, attraction of greater talent into the council, reduced turnover, and reduced spend on agency workers.

The staffing savings will be enabled by the delivery of the people strategy and released through the council's ongoing programme of service reviews.

**Is this a Key Decision?**

Yes

(a) Expenditure or saving (including

anticipated income) of £500,000 or more

**When should this matter be reviewed?** November 2019

**Reviewing OSC:** Overview and Scrutiny Board

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

**SUMMARY**

This paper sets out proposals for a Council wide People Strategy which puts our communities at the heart of the council's plans for its workforce and the skills we need to become a modernised, effective and productive Council, ready and able to deliver the challenges facing our Borough. The People Strategy is the third piece of the strategic vision for Havering, People, Place and Digital. The right people in the right place with the right tools to carry out their job to the best of their ability. The vision for Place and Digital was presented to Cabinet in September in the Smart Working Report, describing the importance of environment on the workforce and the flexible style of working, that meets the requirement of the role and not a time-bound and office based culture, enabling a reduction of desks and therefore inhabited estate.

The People Strategy sets out ambitious proposals for transformational change across human resources, organisational development and the wider workforce, building on the Council's refreshed vision, values and behaviours to drive a positive, confident and productive workplace, with a culture of enabling innovation and excellence.

The strategy provides a roadmap to help everyone understand how the workforce will be developed, equipped and enabled. It focuses on four key areas to move the council to a better position to deliver services to its residents: Resourcing; Performance & Development; Leadership and Culture; Values & Ways of Working. The strategy is designed to create conditions where Havering becomes an

‘employer of choice’ - able to attract the best talent to the Borough and develop or retain the skills needed in hard to fill posts.

## RECOMMENDATIONS

1. Cabinet is asked to approve additional revenue budget of £544,400, to run the overarching People & Organisation Transformation Programme for two years, on the assumption of an ‘invest to save’ approach. Investment will provide the People Strategy and eight projects that are the building blocks to the success of the People Strategy: Values and Behaviours; Organisational Preparedness; Havering Together with Staff; Leadership; Apprenticeship Framework; Workforce Planning; Talent & Succession - and Reward & Recognition.
  
2. Cabinet is asked to approve an ongoing investment of £169,000 per annum to enable the creation of a new OneSource Talent Hub, which will draw on the Apprenticeship Levy to bring new talent into the council and upskill existing employees, noting that this is the maximum investment required.
  
3. Cabinet is asked to approve £250,000 Revenue Budget to provide targeted assessment of the current resource; a comprehensive programme of leadership and senior management development, which will support sustained transformation and performance improvement across the Council. Where possible, activity will be provided all or in part by the Apprenticeship Levy, to reduce the overall cost of this activity.

## REPORT DETAIL

### 1. **Background:**

There have been dramatic changes in the nature, funding and shape of local government services over the last ten years, which has seen a shift in focus to lean, efficient “Back office” provision, which supports front line services - and an increasingly individual, independence-driven approach to residents and especially service users.

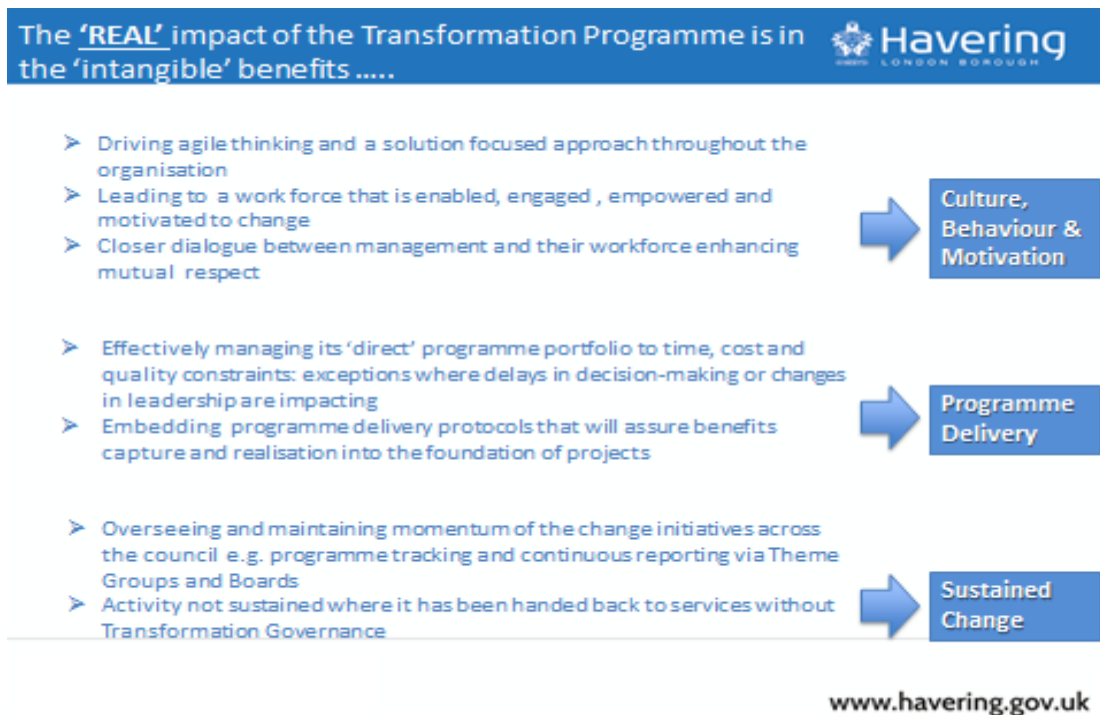
While the challenges are easy to recognise – demand for services both statutory and discretionary increasing while funding to provide those services decreases

year on year – the ‘fix’ is more complex, since it requires both the retention and improvement of what local government does best, and the adoption of new skills and technology more akin to private sector companies, operating at the cutting edge of innovation and responsiveness.

Just as importantly, because of the breadth and depth of the challenge, embedding the changes necessary to effective, convenient, efficient services for residents in 2019 and beyond, requires a transformation in the attitude, behaviours and culture of the organisation, to deliver sustained, purposeful change.

In response to these changes in local government and funding, Havering has designed a Transformation Programme to enable them to effect a whole-organisation change in the way it works and responds to the needs of residents.

The Transformation Programme is designed to deliver innovation and whole Council review and redesign of services, relationships with our communities and residents and the creation of a lean, agile operating model that allows the Council to manage future challenge. It does this in the context of a medium term financial challenge over four years, requiring significant spend reductions

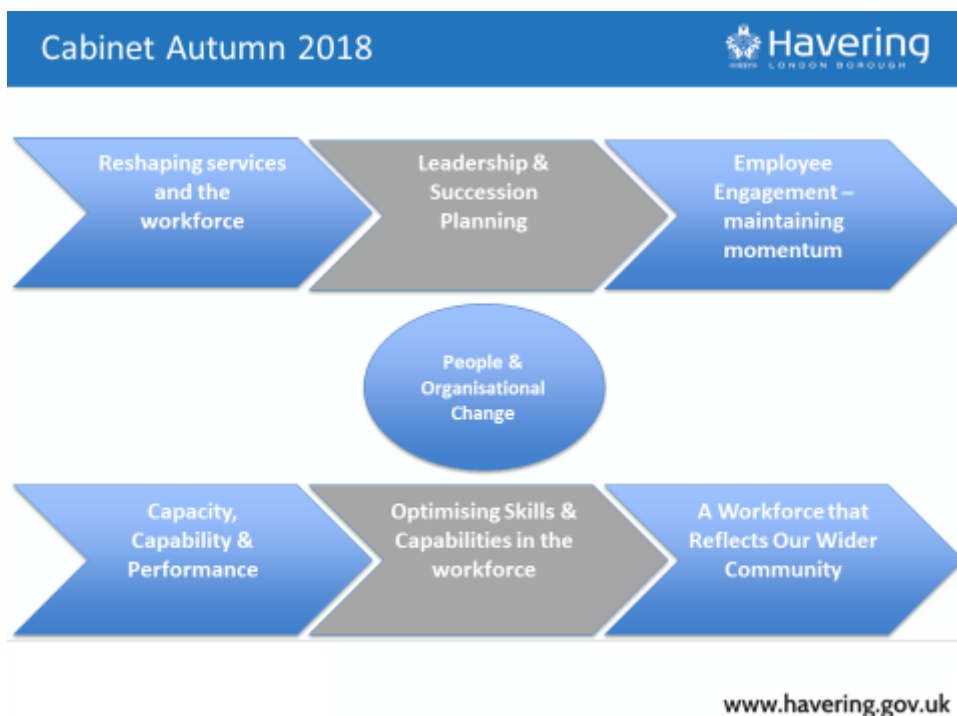


The Requirement Case for the People & Organisation Programme was agreed by Cabinet in November 2018. The Requirement Case proposed a programme of activity with the Council’s workforce to support the Council’s current needs and its

ambitions for the future. It describes the activity of work within the Council's four key Themes:

### **Requirement Case November 2018**

The programme of work to meet these objectives was laid out in the Requirement Case approved at Cabinet in November 2018 as:



### **2. Delivery:**

The P&OT Programme includes nine projects to deliver the activity in the Requirement Case.

The People & Organisational Transformation Programme is a major part of an emerging wider strategic Transformation programme.

People & Organisational work-streams will deliver organisational readiness and sustainable cultural change, to meet the future operational model of the Council.

As part of the development of the programme our ambition is to map across all existing activity in each of the main priority work-streams, creating a coherent “One Council” approach to our approach to the forward planning and management of the Workforce.

People & Organisational Transformation 			
<p><b>People Strategy:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Sustaining people and culture</li> <li>Attracting &amp; retaining talent</li> <li>Clear career pathways</li> <li>Cost reduction in turnover and capacity</li> <li>Fit for purpose workforce</li> <li>Employer of Choice</li> <li>Supporting the set up of embedded activity on Resourcing, Performance &amp; Development, Leadership and Culture, Values and ways of Working</li> </ul>	<p><b>Organisational Preparedness:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Review of current policies to meet the councils requirements post transformation</li> </ul>	<p><b>Values &amp; Behaviours:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Collaborative design of values &amp; behaviours</li> <li>Develop a leadership style within the organisation</li> <li>Contribute to leadership style and function</li> <li>Embed behaviour by modelling</li> <li>Launch internal campaign for Values &amp; Behaviours</li> <li>Continued programme of events for 18 months</li> </ul>	<p><b>Apprenticeship Strategy:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Build skilled &amp; committed workforce</li> <li>Maximise capacity</li> <li>Sustained cultural change</li> <li>Support 16-24 priority</li> <li>Career life learning</li> <li>Increase apprentices within in council and Borough</li> <li>Effective deployment of levy</li> <li>Sharing 25% of Levy</li> </ul>
<p><b>Timeline:</b> Product: 01/10/19 Implementation: 31/12/19</p>	<p><b>Timeline:</b> Product: 31/01/20 Implementation: 28/02/20</p>	<p><b>Timeline:</b> Product: 31/07/19 Implementation: 30/09/19</p>	<p><b>Timeline:</b> Product: 01/10/19 Implementation: 31/03/20</p>


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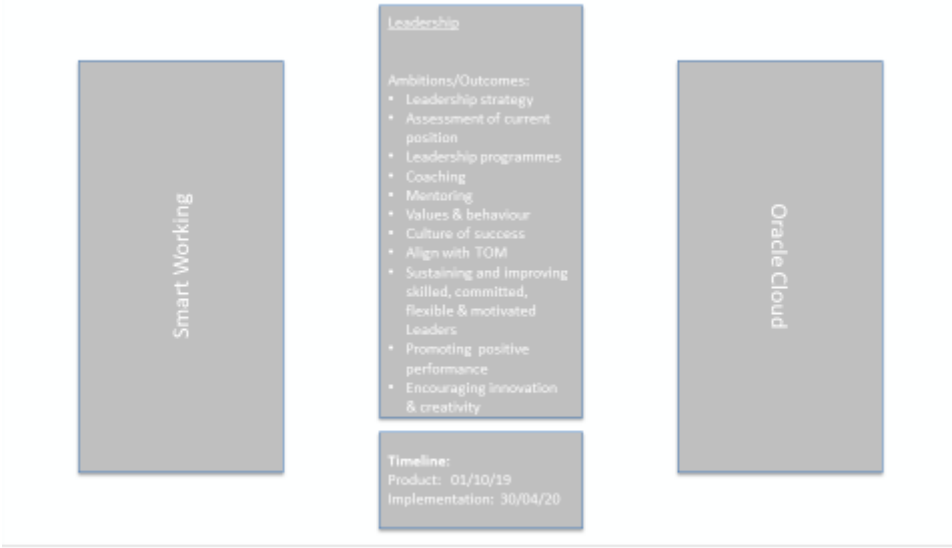
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People & Organisational Transformation 			
<p><b>Workforce Planning:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Review current workforce</li> <li>Understand future workforce</li> <li>Skills gaps</li> <li>Organisation right size and shape by service for future requirements</li> <li>Capabilities &amp; disposition</li> <li>Use of apprenticeships &amp; graduates</li> <li>Link to career pathways, talent, succession</li> <li>Understand emerging themes</li> </ul>	<p><b>Havering Together with Staff:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>As part of People Strategy share the vision, buy-in</li> <li>Recruitment &amp; retention (Including Agency Workers)</li> <li>Attraction to Borough</li> <li>Ownership &amp; Commitment</li> <li>Agile &amp; streamlined</li> <li>Customer focused, performance driven</li> <li>Cultural Change Group</li> <li>Engagement programme</li> </ul>	<p><b>Talent &amp; Succession:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Identify &amp; develop talent</li> <li>Ability &amp; aptitude</li> <li>Using workforce &amp; succession planning tools</li> <li>Clear career pathways</li> <li>Encourage understanding of the value</li> </ul>	<p><b>Reward &amp; Recognition:</b></p> <p>Ambitions/Outcomes:</p> <ul style="list-style-type: none"> <li>Bench marking exercise on hard to fill posts</li> <li>Understanding the reasons for the difficulties in recruitment</li> <li>Communications programme on attraction of talent to Havering as a Borough</li> <li>Reward package to be reviewed</li> <li>Work with existing providers</li> </ul>
<p><b>Timeline:</b> Product: 30/06/19 Implementation: 30/11/19</p>	<p><b>Timeline:</b> Product: 01/10/19 Implementation: 30/04/20</p>	<p><b>Timeline:</b> Product: 31/12/19 Implementation: 31/12/20</p>	<p><b>Timeline:</b> Product: 31/12/19 Implementation: 31/12/20</p>

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People & Organisational Transformation 



The diagram consists of three vertical grey boxes. The left box is labeled 'Smart Working'. The middle box is titled 'Leadership' and contains a list of 'Ambitions/Outcomes' and a 'Timeline'. The right box is labeled 'Oracle Cloud'.

**Leadership**

Ambitions/Outcomes:

- Leadership strategy
- Assessment of current position
- Leadership programmes
- Coaching
- Mentoring
- Values & behaviour
- Culture of success
- Align with TOM
- Sustaining and Improving skilled, committed, Flexible & motivated Leaders
- Promoting positive performance
- Encouraging innovation & creativity

Timeline:  
Product: 01/10/19  
Implementation: 30/04/20

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#### **4. Project Activity**

To achieve the outcomes of the proposals and the potential savings specified are three additional focuses:

- Agency worker reductions
- Reducing loss of apprenticeship levy
- Modernising workforce

#### **Agency Worker Reductions**

Human Resources are working closely with Service Directors to reduce the requirement for and use of agency workers, the target is a 25% reduction in agency workers within this financial year.

Several options are being considered, from restructuring workloads and activity across teams, permanent recruitment, apprenticeships, and clear objectives and timelines for task specific or seasonal work.

#### **Reducing Loss of Apprenticeship Levy**

Part of delivering apprenticeships and the wider project is the target to reduce the loss of the apprenticeship levy by using it to develop residents, encouraging return to work and or creating career pathways, develop existing staff and strengthen the Council's talent and knowledge base.

This saving is a cash saving based on the ability to reclaim an extra £20000 per month of the apprenticeship levy currently paid to central government. Much of this will be a saving based on a substitution of General Fund costs with Apprenticeship Levy eg training budgets and replacing current staff with apprentices.

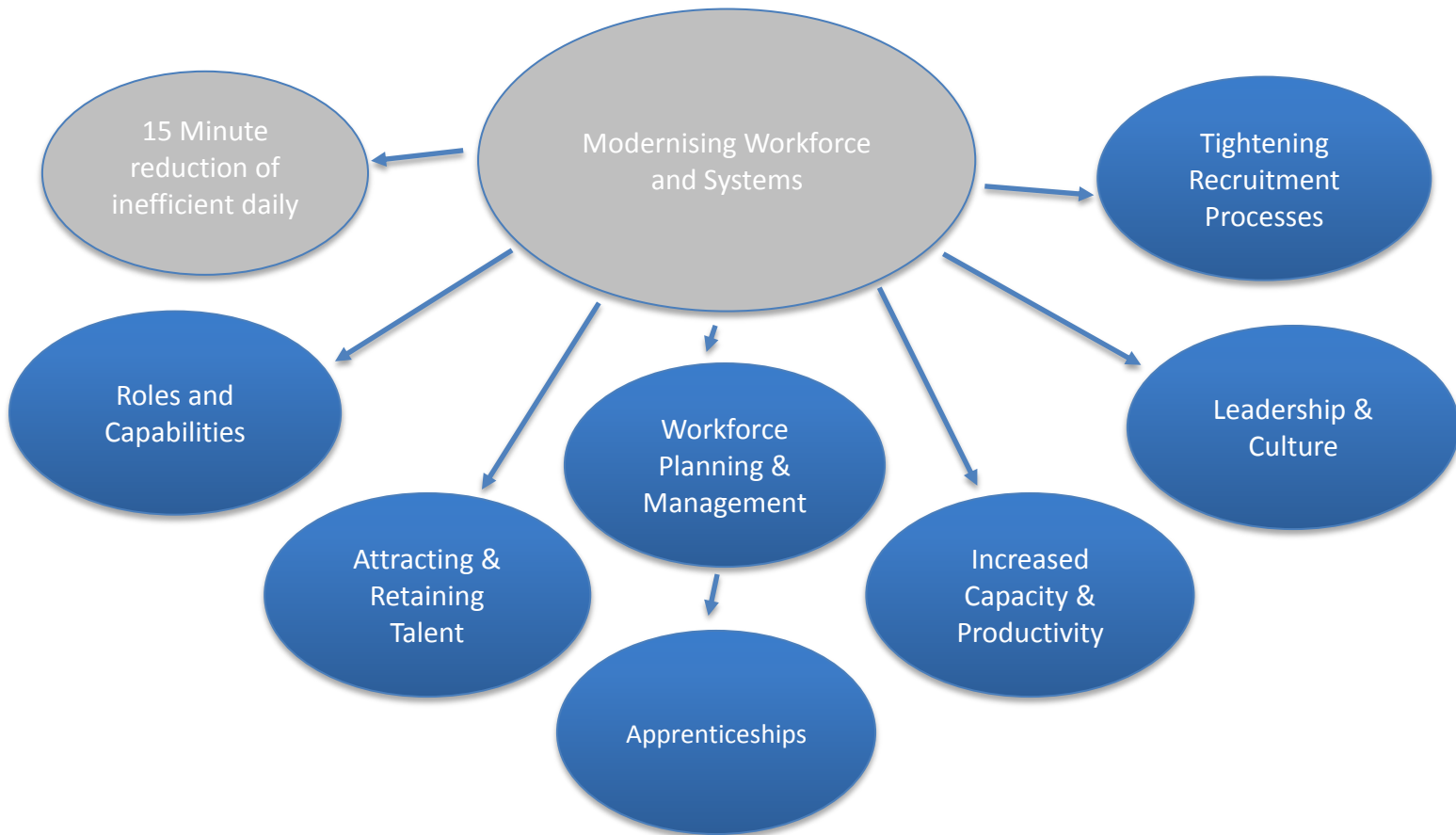
### **Modernising the Workforce**

Modernising the workforce will both generate efficiencies and reduce cost. This is an enabler which will allow future staff reviews to release savings

The direction and commitment to staff development laid out in the People Strategy is intended to encourage amongst other benefits leadership and direction, motivation, sustainable change, increased productivity, attraction of talent to the Council and erosions of levels of replacement from turnover.

The lower end estimate of savings is 5 minutes per day, per employee being around £1. The target is a saving of 15 minutes per day, per employee.





**People Strategy:**

Havering is determined to support and develop a workforce that can meet the current and future needs of our residents. The project has developed the strategy that sets out Havering’s approach to working together to develop the skills of our staff and ensure that everyone has the right tools to deliver our priorities and ambitious plans for a better Havering. Next steps will be the implementation of the proposals.

Working closely with the Smart Working Programme to ensure the Council have the right people in the right place with the right tools to carry out their job to the best of their ability.

Attracting, developing and retaining staff is critical to serving communities and delivering great service. The People Strategy aims to enable a workforce to meet

current and future needs for residents that is sustainable and diverse within the Corporate Plan and beyond.

Havering are aiming to become a Top 100 Employer of Choice, Not for Profit 2021/22.

## **Values and Behaviours**

The development of Havering's values and behaviours has been on a substantial journey from development prior to and input received at the YMCA, council away day in 2018 before the change of administration and the review and redesign this summer.

The key to the success of beginning to change the culture of an organisation with a refresh of values and behaviours is to model the behaviours in everyday life through all levels of the organisation. There have historically been a number of attempts to launch values and behaviours by the council prior to this work. Feedback from the engagement sessions tells us that they have not previously stuck, people were not necessarily aware of the content and were unlikely to be modelling the behaviours.

The work that the council has undertaken this summer has taken place with a cross section of the organisation including the Senior and Council's Leadership Teams, volunteers for external engagement sessions and the Cultural Change Group.

The Cultural Change Group is a permanent group that will review and challenge all projects, programmes and activity that is proposed to influence the culture of the organisation. The extended group includes Change Champions that have volunteered to shape and make a difference to the direction of the council, from across the council. The group in its entirety including Change Champions are offered opportunities as groups to design and influence change activity. The refresh of the values and behaviours was the first activity that the group partook in and with the engagement sessions feedback the Change Champions have designed and agreed the values and behaviours for the council.

**Our values and behaviours, I CARE, guide our approach to working with residents, partners and colleagues**

Values	Integrity	Creativity	Ambition	Respect	Everyone
Behaviours	<ul style="list-style-type: none"><li>• We are honest, trustworthy and reliable</li><li>• We communicate openly and transparently</li><li>• We take responsibility for our actions and behaviour</li></ul>	<ul style="list-style-type: none"><li>• We find ways to solve problems and make things better</li><li>• We look for new ideas and opportunities to innovate</li><li>• We are flexible and open to change</li></ul>	<ul style="list-style-type: none"><li>• We focus on making Havering the best place anyone can live, work and do business</li><li>• We take pride in our work and the work of our team</li><li>• We are committed to improving and developing ourselves</li></ul>	<ul style="list-style-type: none"><li>• We treat people with courtesy and compassion</li><li>• We listen to other people's ideas and perspectives</li><li>• We stand up to discrimination, bullying and harassment</li></ul>	<ul style="list-style-type: none"><li>• We collaborate and co-produce to deliver results</li><li>• We support each other and give constructive feedback</li><li>• We celebrate success and recognise everyone's contribution</li></ul>

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**Organisational Preparedness:**

To enable transformation on this scale the Council needs to ensure that its policies and procedures enable the changes and don't hamper them.

The Human Resources and Organisational Development Service have a transformation programme that is reviewing policies across the council. The People and Organisational Transformation Programme is working closely with the team to ensure collaboration and time appropriate activity to enhance project delivery and organisational change.

**Havering Together with Staff;**

Havering together with staff describes an agreement between staff and the council of the parts they play in their mutual deal to work together in the delivery of service to residents.



This project will also focus on the mapping and implementation of the council’s ambition to be a Times Top 100 Employer of Choice.

## **Leadership**

The quality of leadership has a clear impact on the performance of individual members of staff and the council as a whole and is pivotal to ensuring that the Council realises and sustains transformation towards becoming a lean, efficient organisation, focussed on performance and delivery of excellent outcomes for our residents

Havering needs skilled and committed leaders throughout the organisation, who empower staff, lead by example, role model the agreed values and behaviours and support and encourage staff to do their best in an inclusive culture. Within Our People Strategy we set our intention to develop leadership and management skills at all levels. Our vision is for competent and consistent leadership practice across our council.

The Leadership Project will scope and source assessment tools and Leadership and Management Programmes in conjunction with the Organisational Development Team.

## **Apprenticeship Framework**

Havering makes a significant investment in the Apprenticeship Levy and this money can only be used for training and assessing apprentices. This is a long-term investment which will improve the quality of training opportunities and the skills of

all of our people. Currently the return on investment is poor and since June 2019 the council has lost c£50k per month on unspent levy contribution.

The Council has set clear strategic aims and objectives for delivering on apprenticeships and maximising return on the investment in the levy. The target for the Council and Council maintained schools is 2.4% of staff to be carrying out an apprenticeship, this equates to 150 staff.

### **Our Strategic Aims**

- To build a skilled and committed workforce now and for the future and maximise workforce capability
- To improve diversity and inclusion, employability and career opportunities
- To increase the number of apprentices and apprenticeships both within our own workforce and across our Borough

### **The key objectives of Our Apprenticeships Framework**

**To embed apprenticeships across our workforce.** We will create apprenticeships that provide a modern employment offer and viable route into and through the Council. This includes considering apprenticeships as part of our People Strategy, workforce planning, succession management, talent development, and career pathways.

**To offer existing staff opportunities for career development, to refresh or gain new skills or retrain.** We will increase opportunities for personal and professional development through high quality transferrable training so that our existing employees embrace apprenticeships as part of their learning, development, and career. In common with many employers, we have more progress to make in changing the traditional view of apprenticeships, to ensure that equality of opportunity is achieved. Apprenticeships are not limited in terms of age or length of service and although it is a requirement that they are linked to national standards and recognised qualifications they do have to be labelled “apprenticeship” to attract levy funding.

**To develops skills and enhance the capability of the workforce.** We will use apprenticeships to develop strong professional capabilities so that we develop a highly capable, skilled and engaged workforce with effective leaders. This includes developing profession-oriented apprenticeships, at a variety of levels (including higher and degree level) and in areas where there are identified skill gaps (e.g. commercial, digital, planning, social work etc).

**To enhance diversity and inclusion and social mobility.** We will ensure that apprenticeships are a key component of an inclusive Council so that our workforce better reflects the community we serve. This includes promoting apprenticeships

within the local area, to those from underrepresented groups and low socio-economic backgrounds and improving recruitment processes accordingly, to emphasise the importance of potential rather than the finished product.

**To ensure quality experiences.** We will make sure apprentices receive high quality training so that they feel valued and engaged with the Council and our community. This includes working with reputable training providers, complying with apprenticeship standards and securing senior and line management engagement to ensure accountability for the quality of the apprenticeship schemes.

**To deliver a return on investment on the apprenticeships levy.** We will work collaboratively across the Council and wider local government so that apprenticeships fit clearly within workforce planning to maximise our potential for delivering apprenticeships within the resources available.

### **Workforce Planning:**

The Council is operating within a changing and challenging environment - budget pressures, increasing demand for services, increasing need for flexibility, innovation and improved service delivery, an ageing workforce and tighter labour markets for example – making it imperative that we plan for the future today. Workforce planning establishes a process for identifying, securing and developing the capacity and capability of the workforce to deliver our current and future objectives.

Workforce planning is about getting the right people, with the right skills into the right jobs at the right time. It helps managers plan for the future, anticipate change and manage the workforce to meet business demands and provides a framework for making decisions about the workforce that align with the strategic goals of the Council.

Implementing workforce planning will enable the Council to:

- Respond quickly and more strategically to change and transformation by recognising emerging challenges in the workforce and the business;
- Improve efficiency, effectiveness and productivity by ensuring that our people have the right skills and are a good fit for the job;
- Facilitate strategic decision making in relation to future workforce requirement by identifying staffing needs, monitoring attrition and ensuring that replacements are available for key vacancies
- Strengthen capability across the workforce to achieve business goals and deliver services for the public by understanding the profile of the workforce and the skills needed now and for the future
- Align the People Strategy, plans and policies with maximising the capacity of the existing workforce and shaping the future workforce to meet requirements by analysis of skills and future plans
- Monitor current workforce costs and predict future costs by analysis of the current profile and budgets

Effective workforce planning requires an integrated approach by key stakeholders including senior leaders, HR and OD professionals, managers and staff.

The workforce plan sets out how future staffing and skills needs will be met. This includes recruiting, development, internal deployment, succession management and talent development. It is proactive and designed to ensure that we have the talent we need to deliver services now and into the future.

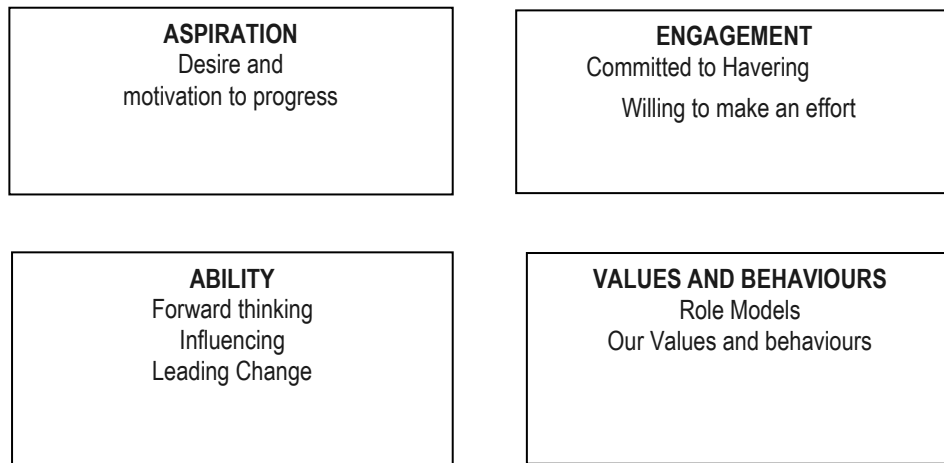
## **Talent & Succession**

Talent and succession will be considered as part of the workforce planning conversation as well as 1:1s and development reviews. There is a need to develop a sustainable workforce which limits the Council's vulnerability and supports development and career pathways within its services for staff.

The project will:

- Drive a focus on the collective strengths of a team rather than simply on the individual. A high performing team is not one simply filled with talent but one that works well together. A team full of individually talented people may not perform as well as one with average talent that functions well as a team. Strong teams help organisations thrive. Encouraging discussions in teams around their performance together as well as individually is healthy and can increase productivity;
- Facilitate talent review meetings. Getting leaders to engage in conversations around who they have, how they are doing and what they might want or need to do next. Collective management agreement is based on the chance to discuss possible successors, talent groups and their development needs. Individuals will be better supported if leaders agree they are credible future candidates for real positions.
- Recognise that HR is not a substitute for poor managers. Good managers know their people well. HR and OD can help create an environment where people and their managers know their strengths and can discuss their aspirations honestly. HR can provide information about opportunities and ensure that job titles and roles are clearly defined so that people recognise where they may be able to contribute in a different part of the business;
- Challenge the concept that “x years’ experience” is essential for a role. Recognising that transferable skills and ability to learn are as important as technical know-how. Celebrating non-traditional moves to highlight the possibilities and encourage others. Creating opportunities for people to undertake short term work experience in another part of the business creates connections and opens up possibilities for movement between departments;

- Helping people understand the need to remain employable by gaining new skills and a breadth of experience in different roles. Staying in one role for too long prevents people updating their skills and staying fresh so reducing confidence in their ability to get another job;
- Helping managers recognise when someone able needs to be stretched. Creating opportunities for people to work beyond the boundaries of their own department, undertake project work or lead an initiative will support retention and develop talent;
- Leading on role design and refresh. Challenging managers to identify 5 people ready for a move and 5 roles that need refreshing in the next 2 years. This 5x5 approach creates open and honest conversations with those in these roles without being personally critical of individual performance;
- Challenging thinking about the traditional career trajectory. Removing the stigma from sideways movement creates options for people to manage their career and personal lives - working part-time, job sharing and creating ways for people to remain in work but differently, challenging the assumption that all employees want to move up the career ladder and allow for upwards, sideways and downwards movement to create space and fluidity across the workforce
- Helping managers recognise potential using the 4 dimensions for assessment of potential



## **Reward & Recognition**

The project focusing on reward and recognition will be focusing on retaining and attracting talent to the borough, it is not a full scale review of every council post.



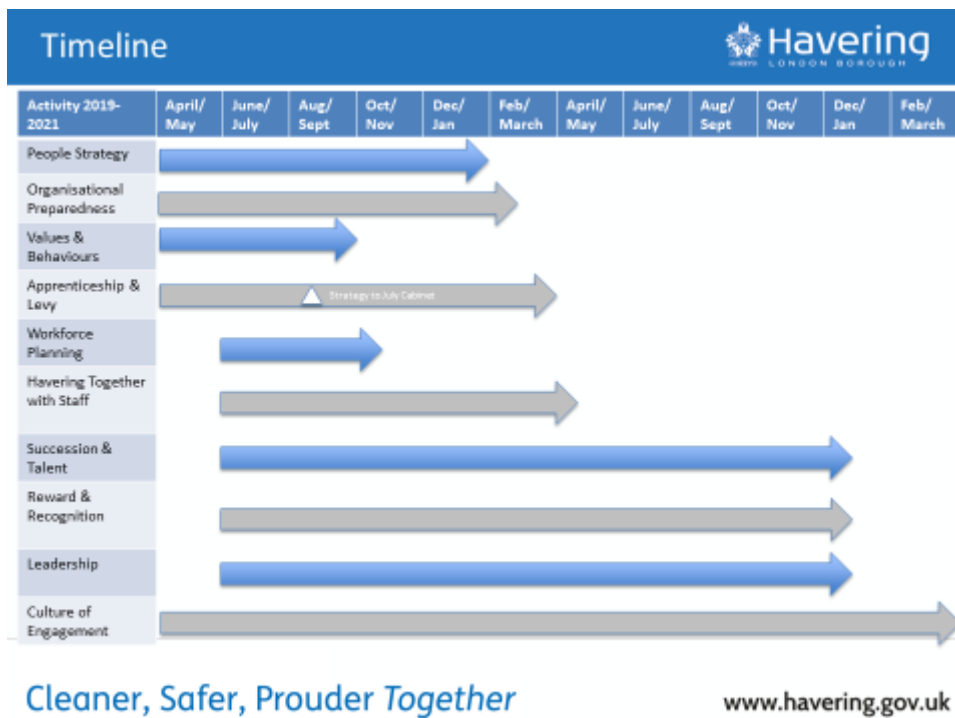
**Cabinet, 11 November 2019**

The project will scope the hard to fill posts following workforce planning activity by service. Bench marking exercises will follow across local government, London boroughs and private sector organisations where appropriate.

Attracting talent to the Council is key and the project will investigate attraction to the Borough and how this can be encouraged, the unique selling point of the Borough for professionals to then increase the talent pools.

Existing reward and recognition packages to be reviewed particularly for these hard to fill posts and where appropriate council wide

**5. Timeline:**



**6. Benefits**

Financial:

**Cost & Savings Projection**

<b>Project:</b>	<b>Budget Requirement:</b>	<b>Breakdown:</b>
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People Strategy	544,400	Communication across programme activity, HR project support, Programme Manager
Apprenticeships	169,000	Ongoing additional staffing cost to the apprenticeship hub
Leadership	250,000	Leadership & Management Assessments Programme Delivery

- Cost over 24 months:
  - One off cost: £794,400
  - Ongoing increase to annual OneSource staffing budget: £169,000

### **Savings Projection**

#### 3 Key Elements

- Agency worker reductions
- Reducing loss of apprenticeship levy
- Modernising workforce
- Potential savings over two years: **Total =£1,862,270**

Hard savings make this an invest to save project that breaks even, the soft savings are anticipated to at least double that savings

<b>Cost Reduction</b>	<b>Calculation</b>	<b>Year One</b>	<b>Year Two</b>	<b>Total</b>
Agency workers	1% off 2018-19 use £20,813,497	208,135	208,135	416,270
Apprenticeship Levy	£20,000 p/month	240,000	240,000	480,000
Modernising Workforce	Save 5 mins per day, per employee = circa £1. Employees 2,100 (incl agency)	483,000	483,000	966,000

**Cost & Potential Savings Projection – Total**

- Cost over 24 months Total =£910,000
- Potential savings over two years: Total =£1,900,000
- Net potential Savings = £1,000,000
  
- Plus
  - Sustainable change
  - Increased productivity
  - Attraction of talent to the Council
  - Erosions of levels of replacement from turnover

Reducing agency numbers and modernising the workforce will both generate efficiencies and reduce cost. These are enablers which will allow future staff reviews to release savings

**Benefit: Measure of Success:**

<b>Benefit:</b>	<b>Measure of Success:</b>
Developing staff in line with the People Strategy will build trust through	➤ Clear expectations set for Leadership and Management

<p>transparency</p>	<p>through clear Induction process and Leadership, Management Development Programmes and modelling behaviour. Attendance on Management Induction from 10 to all recruited managers annually. Attendance on Leadership and Management Programmes from 59 to 150, including supervisors, per annum</p> <ul style="list-style-type: none"> <li>➤ Colleague survey statistics on openness to be further explored via a pulse survey</li> <li>➤ Regular engagement programme of events, a minimum of 75% attendance</li> <li>➤ A change charter developed and pulse survey carried out in 2020 to ensure embedded and change better communicated within the Council</li> </ul>
<p><b>Focus on wellbeing.</b> We will provide a modern and well equipped working environment and take care of our staff so that they can come to work and do their best in a culture of empowerment, trust and respect and achieve a healthy work-life balance.</p>	<ul style="list-style-type: none"> <li>➤ Employee Wellbeing Programme to continue</li> <li>➤ Smart Working, enabling individuals to be working where needed and not unnecessary attendance in the office.</li> <li>➤ Colleague Awards, recognition and engagement. S.T.A.R Awards</li> <li>➤ Reduction in sickness absence from 9.4 to 7 days per annum</li> <li>➤ Reduction in stress for a reason for sickness absence from 16.9% to 14%</li> <li>➤ Development of staff through a variety of routes including the apprenticeship scheme, career pathways and alternatives will have a social impact on the organisation and the local community with 67% of staff also being residents</li> </ul>
<p><b>Focus on diversity and inclusion.</b> We will champion the diversity of our workforce so that the contribution of each and every member of staff is recognised and valued and we are able to attract and retain a diverse range of talent now and into the future.</p>	<ul style="list-style-type: none"> <li>➤ Employee voice forums</li> <li>➤ Employee Impact Assessments to be completed during change activity, results shared and learnt from</li> <li>➤ Cultural Change Group, advising and co-designing activity that will affect the culture of the Council</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Understand recruitment routes for advertising vacant posts that will reach largest pool of diverse individuals</li> <li>➤ Employee Impact Assessment to be completed for each project of activity to ensure take up of opportunities are reflect the makeup of the council</li> </ul>
<p><b>Focus on learning and development</b> We will work to ensure that staff have access to learning and development opportunities so that they have the skills and competences required to work to the best of their ability</p>	<ul style="list-style-type: none"> <li>➤ The Workforce Planning project has started and if the pilots are successful the role out across all services will start in December and complete in April 2020</li> <li>➤ Talent and succession planning will be an outcome of the workforce planning action plans</li> <li>➤ Career pathways to be designed in services to develop staff and fill a shortage of staff in certain areas and difficulties in attracting talent to the Borough</li> <li>➤ Apprenticeship numbers to be increased from 0.6% to target of 2.4% with onward study plans</li> <li>➤ Skills audit per service by 2021</li> </ul>
<p><b>Focus on continuous improvement.</b> We will develop a culture of learning in which innovation and creativity are encouraged so that services can be developed and improved through feedback, reflection, evaluation and shared learning</p>	<ul style="list-style-type: none"> <li>➤ Workforce planning</li> <li>➤ Future requirement</li> <li>➤ Gap analysis</li> <li>➤ Hard to fill posts</li> <li>➤ Support staff and develop relationships with engagement sessions including Lunch &amp; Learn</li> </ul>
<p><b>There is consistent leadership practice</b> and leaders role model our agreed values and behaviours to create a positive workplace and inclusive culture</p>	<p>Behaviours and language become consistent and recognisable within the organisation</p>
<p><b>Leaders and managers</b> at all levels have the right knowledge and skills to lead and support teams and individuals to perform to the best of their ability</p>	<p>Numbers of leaders and managers attending learning programmes across the organisation through apprenticeships or other shorter term means. Target of 30 Level 3 and Level 5 Leadership and Management Apprenticeship programmes to be started in 2020</p>
<p><b>Our Values</b> provide the framework for</p>	<p>Staff can recognise each other, leaders</p>

engagement with our staff, customers and stakeholders, drive behaviours and influence and shape our culture	and managers using the behaviours stated in the Councils Values and Behaviours, they are evident in personal development reviews, recruitment, role profiles and throughout employee life cycles
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## REASONS AND OPTIONS

### 7. Reasons for the decision:

**The proposed adoption of the People Strategy and activities required to assist its success are intended to support and develop a workforce that can meet the current and future needs of our residents.**

Following the dramatic changes in the nature, funding and shape of local government services over the last ten years, which has seen a shift in focus to lean, efficient “Back office” provision, focus on the development of staff has taken a back seat. This in turn affects the level of engagement, motivation and current knowledge of staff. Mandatory training takes place in all areas.

The feedback from the Colleague Survey that was carried out in May 2019 confirmed the need for change in the Council’s focus on staff with themes in line with the following statements:

- “I feel that there are not enough people being listened to by senior management”
- “As a council there isn’t a sense of overall vision and strategy/values that are meaningful, and priorities are not focused on the staff to ensure that they are motivated to do the best”
- “There is no career progression for most staff... training is usually inadequate”

This in conjunction with the awareness that the number of hard to fill posts in professional roles are increasing within the council and there is a known aging workforce which increases the need to attract talent to the Borough.

**Other options considered:**

The Requirement Case for the People & Organisation Programme was agreed by Cabinet in November 2018.

The Requirement Case proposed a programme of activity with the Council's workforce to support the Council's current needs and its ambitions for the future

The Requirement Case describes the activity of work.

## IMPLICATIONS AND RISKS

### ***8. Implications and Risks; There is a corporate requirement to set out the implications and risks of the decision sought, in the following areas***

#### **8.1. Financial implications and risks:**

Estimated Costs & Funding for the project are set out below:

#### **Financial Implications and risks:**

In order to deliver the People Strategy financial investment is needed which following implementation will deliver efficiencies and enable savings to be realised.

#### **Initial Investment**

This report requests an initial one off investment, to be funded from the Business Risk Reserve, of £794,400 to deliver the strategy over the next two years. This is split as follows

<b>Area</b>	<b>Amount</b>	<b>Description</b>
<b>People Strategy</b>	£544,400	To provide project support to HR including communication and programme activity (split over 2 years)
<b>Leadership</b>	£250,000	Leadership and Management Assessments and programme delivery
<b>Total one – off funding</b>	<b>£794,400</b>	

There is also an ongoing funding request of £169,000 to develop an apprenticeship hub. £169,000 is the maximum investment required and the contribution could decrease if Newham choose to co-invest in the Talent Hub through the oneSource

partnership. For 2019/20, the hub will be funded from the Business Risk Reserve which will require £50,000. The new base budget of up to £169,000 will be built into the MTFS from 2020/21.

## **8.2. Potential Savings**

The main benefits of this project are nonfinancial.

Investing in an Apprenticeship hub will bring huge social value to the borough by creating opportunities for young people, working with and supporting local businesses and upskilling our work force. This saving is a cash saving based on the ability to reclaim an extra £20000 per month of the apprenticeship levy currently paid to central government. Much of this will be a saving based on a substitution of General Fund costs with Apprenticeship Levy eg training budgets and replacing current staff with apprentices.

The People Strategy and Leadership project will invest in the Council's workforce helping them undertake their duties more efficiently. This in turn will directly reflect on enhanced quality of service to the public.

There will also be cashable savings following the successful implementation of the strategy. These savings will be realised by efficiencies which will be possible after the actions described have been fully embedded.

The cash savings anticipated are in three areas

<b>Area</b>	<b>Amount</b>	<b>Description</b>
<b>Agency</b>	£208,000	By investing in workforce development it is anticipated that staff turnover will reduce in key areas thereby reducing the need for expensive agency. The figure quoted is an annual cash figure over based on a 1% reduction in the agency cost.
<b>Apprenticeship Levy</b>	£240,000	This saving is a cash saving based on the ability to reclaim an extra £20000 per month of the apprenticeship levy currently paid to central government. Much of this will be a saving based on a substitution of General Fund costs with Apprenticeship Levy eg training budgets and replacing current staff with apprentices.
<b>Modernising Workforce</b>	£483,000	Based on a reduction of 5 minutes a day for all employees
<b>Total Annual Saving</b>	<b>£931,000</b>	



The predicted savings in Agency costs and from the increase in productivity will be built into the Council's MTFS. The Apprenticeship Levy saving relates to the ability of the Council to achieve value from funding that would otherwise be retained by HMRC.

### **8.3. Risks**

#### **Risks to the programme of works and potential savings are as follows:**

Failure to invest in the People Strategy frustrates the Transformation Programme across the organisation and continues to feed the trends identified in the Colleague Survey

Investment realises greater intangible benefits than tangible that are complex to qualify.

The savings will only be realisable if the strategy is fully implemented. Changing the culture and direction of the organisation will take time so it is possible that some of the savings will not be realised in the anticipated time frame. However, the savings will be closely monitored as it is possible that eventually they could be higher than predicted.

Savings may potentially be double counted with services and their ongoing activity to realise savings and Service Review and Redesign Programme

Failure to change increases the risk that current activity highlighted in the colleague survey continues and talent is lost or not attracted to the Council.

### **8.4. Legal implications and risks:**

The proposals of the People Strategy appear to be positive. I would caution that any change can be frightening to staff. Therefore, it is important that good communication is maintained with existing staff. The risk if this is not done may be an issue of staff morale and lead to employment tribunal cases.

It must be ensured that the impact of the proposals on protected groups is addressed. Consideration will need to be given to the impact on different groups who have protected characteristics in the form of an equality impact assessment. It will be particularly important to consider how changes will affect staff with

disabilities and ensure that there is flexibility in order to make reasonable adjustments to facilitate their continued access to employment.

If there are going to be changes to staff terms and conditions recognised trade unions will need to be consulted; and preferably the Council will reach an agreement with them on the changes.

It will be important to ensure that there is equal access to the Apprenticeship Framework and any other training to different groups to avoid claims of discrimination. Consideration must be given to the risk of indirect discrimination where the proposals are at risk of having a disparate impact on particular groups.

It will also be important to ensure that the Apprenticeship Framework is used correctly and not abused by managers to utilise cheap labour.

The proposal that the Apprenticeship Framework be used to retraining members of staff that are at risk of redundancy is a good one and if applied correctly would reduce the Council's risk in redundancy situations.

In relation to the proposals about the reduction in numbers of agency workers: it would be prudent to ensure that agency workers have access to and are able to apply for the new vacancies.

### **8.5. Human Resources implications and risks:**

The People Strategy will have a fundamental and significant impact on all current and future employees. Implementation of the People Strategy will be managed in accordance with the Councils relevant policies and processes and any changes to terms and conditions of employment as a result will be subject to the usual consultation process with employees and the Trade Unions

### **8.6. Equalities implications and risks:**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

It is both Council policy and recently renewed SLT direction/expectation that EqHIAs (Equality and Health Impact Assessments) are carried out when appropriate and in sufficient time to enable informed decision-making. As a basic rule, one should be undertaken whenever staff, service users, or the wider public are impacted by decisions or the intended or planned activity. The relevant template with guidance is available from [diversity@haverling.gov.uk](mailto:diversity@haverling.gov.uk) and the intranet and its purpose is to ensure a systematic approach to the task and to evidence that due regard is paid to any adverse impact on affected parties with protected characteristics. In addition to the nine protected characteristics, the assessment also looks at matters pertaining to health and socio-economics, respectively.

Another accepted way to demonstrate due regard is to produce minutes of meetings which clearly show equality implications of the intended activity were fully discussed and understood by decision-makers. The status of EqHIAs can be 'completed' or 'under development', with a view to completion before any final decisions are reached. Where legal challenges occur, completed EqHIAs can often become items of evidence in related proceedings. Finally, if an EqHIA is not to be carried out authors should state the reason in the equality section of their report. Do consult the corporate diversity advisor if clarification or support is needed.

## **Consultation**

Consultation with affected parties is essential to good practice. In terms of administrative law this has a specific meaning, and if done should be proportionate, fair, and inclusive. Sufficient time and information should be afforded to allow consultees to comment meaningfully on the matter in hand and the responses taken conscientiously into account by the decision maker.

A full agile Equality and Health Impact Assessment will be completed throughout the programme and updated at key milestones.

## **8.7. Health and Wellbeing Implications and Risks**

Health inequalities arise from a complex interaction of many factors - housing, income, education, social isolation, disability - all of which are strongly affected by one's economic and social status. Having a job and a reasonable income, which this strategy appears to positively promote, makes a huge contribution to wellbeing

**BACKGROUND PAPERS**

**9. Background Papers**

*People Strategy:*

*Requirement Case, autumn 2018*

*Apprenticeship Hub Business Case*

*Apprenticeship Framework*

*Leadership Framework*

*Leadership Programme Options*