



CABINET

Subject Heading:

Approval of Council's new Workforce Strategy

Cabinet Member:

Cllr Ray Morgan

SLT Lead:

Andrew Blake-Herbert

Report Author and contact details:

Jan Douglas, 020 3373 2693
Jan.Douglas@onesource.co.uk

Policy context:

The adoption of the new Workforce Strategy and associated policies and activities to assist its success are designed to develop and attract a workforce that can meet the current and future needs of our residents.

Financial summary:

The proposals in this report seek investment of £2.118m between now and March 2025 and an ongoing annual investment of £640k thereafter.

Is this a Key Decision?

Yes. (a) Expenditure or saving (including anticipated income) of £500,000 or more.

When should this matter be reviewed?

March 2023

Reviewing OSC:

Overview and Scrutiny Board

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

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

SUMMARY

On 13 November 2019, Cabinet approved the Council's current People Strategy. This strategy was developed by the Transformation Programme Team in place at the time and sought a one-off investment of £794,400 to be spent over 24 months - £544,400 to run the overarching People and Organisation Transformation Programme and £250,000 to provide targeted assessment of the current resource and a comprehensive programme of leadership and senior management development. In addition, an on-going investment of £169,000 was requested to enable the creation of a new Talent Hub within the Council's Human Resources and Organisational Development (HR&OD) service, designed to maximise the use of the Apprenticeship Levy to bring new talent into the Council and upskill existing employees.

Just four months later in March 2020, a global pandemic was declared and Covid-19 changed the world. All available resources were diverted to enable the Council to respond to the crisis and to ensure that the most vulnerable in our society were supported and protected at this incredibly difficult time.

In response to the Covid-19 outbreak in March 2020, many Council functions transitioned almost exclusively to remote working. Whilst this has been sustainable over the last two and a half years, proposals to embed remote working as a long-term strategy and permanent operating model are now in the final stages of development and will address the wellbeing implications of remote working, for example on mental health, in terms of isolation, support provision and opportunities to exchange ideas.

The Council's journey to transform the way in which it operates continues and on 27 January 2021, Cabinet agreed several reports, which support the Council's ambitions. This included the principle of rationalising the Council's administrative accommodation and a programme of building works to provide a new Appointment Centre in the Town Hall; the release of funding to enable and support the previous Smart Working Plus programme; and the Digital programme of work to continue. These programmes have moved forward at pace and the approach outlined in this report will be a key reference point for many of the activities and outputs.

The new Workforce Strategy supports the Council's Vision – 'The Havering you want to be part of' – and has been shaped to support the way in which work will be delivered, which has changed and will continue to do so, enabled by digital solutions and for many, greater flexibility over how and where this is carried out. Our strategy recognises that the Havering of tomorrow has a smaller workforce and a set of work styles that require us to engage and lead our teams with an outcome based performance culture and a collaborative and agile use and development of our skills and capabilities. This will include attention to areas like Climate Change, for example through the consideration of staff benefits such as an Electric Vehicle Lease Scheme.

This report sets out the critical enablers and resource requirements to deliver the Council's new Workforce Strategy, which will support the Council's Vision and a new Target Operating Model (TOM) and includes:

- Implementing and embedding Workforce Planning activity across all Council services
- A skills development plan and resource to deliver this, with a centralised approach to learning and development strategy and a learning management system to facilitate this
- Workforce planning training and capability
- Engagement survey and ongoing pulse survey capability
- Development and execution of our Choose Havering Brand strategy and Employee Value Proposition (for example, candidate attraction, total reward strategy, 10 days of learning, career pathways, recruitment marketing)
- People Manager and Leader development programmes
- Implementing Work Styles and greater flexibility
- Suggestion scheme and communities of practice
- Enabling people management policies
- A set of people measures and KPI's that will ensure we have a data and evidence led approach to meet clear and agreed outcomes that support our vision and corporate plan - 'The Havering you want to be part of'
- Activities to support our equality, diversity and inclusion agenda.

All of this is about being an employer of choice, not just saying it.

RECOMMENDATIONS

Cabinet is recommended to:

- Agree the implementation of all elements of the new Workforce Strategy
- Approve and agree the allocation of funding in the sum of a one-off investment of £2.118m between now and March 2025 and £640k pa ongoing annual revenue investment
- Approve the following policies:
 - Ways of Working
 - Travel Expenses
 - Working from Abroad
 - Recruitment and Selection
 - Organisational Change
 - Redeployment

REPORT DETAIL

1. Background

On 13 November 2019, Cabinet approved the adoption of a People Strategy, the implementation of which was almost entirely disrupted by the Covid-19 pandemic. A new Talent Hub was established within the Council's HR&OD service and this team continues to maximise the use of the Apprenticeship Levy and to bring new talent into the Council and upskill existing employees, as well as reducing the Apprenticeship Levy being returned to central Government.

One of the early successes of the People and Organisation project within the Council's Transformation programme was the co-creation, with colleagues across the Council, of the ICARE Values. These are now widely recognised, however the new Workforce Strategy will help further embed these into the organisation to ensure our staff embody these in all they do.

The People and Organisation project also carried out a corporate skills assessment and commissioned a leadership programme for SLT colleagues.

2. Evolution of our Workforce Strategy

The HR&OD service has developed the new Workforce Strategy (Appendix A) following extensive engagement and consultation with a range of key internal stakeholders, including Trade Unions, Staff Forum Chairs, Transformation Project Leads, CLT and SLT and employees across the Council including the Change Champions Network and colleagues in Equality, Diversity and Inclusion, and Finance.

Our new Workforce Strategy describes five key strategic themes for action, which we will focus on during the next two years, to support and develop our workforce, strengthen our capabilities as an organisation and modernise how we do things:

- Organisational design, culture, values and behaviours
- Leading our people
- Developing our people
- Treating our people fairly and with respect
- Supporting our people

We are committed to continue to listen and evolve this strategy in response to the changing context and pressures we experience both in terms of financial pressures and increased demands for our services. Our new Workforce Strategy is written to address what we know now but should be viewed as a 'live' and dynamic plan, which will be reviewed annually and adapted to respond to council priorities, changes in trends, employment legislation and best practice.

Further work and investment is required to address the areas of development identified in the corporate skills assessment, as well as the implementation of a learning management

system to manage learning activity and support communities of practice¹ and the creation and management of a talent pool.

The Choose Havering Pledge is the Council's commitment to creating an organisation that is the best it can be and asks employees to pledge to make positive choices every day, so we can achieve all our ambitions. Choose Havering has the potential to be a strong recruitment brand, but we need to develop the employee value proposition (EVP) that goes alongside the logo. Developments will also include a recruitment website, job marketing support for hiring managers, better designed job profiles and advertisements, as well as a LinkedIn professional licence to target potential applicants. This will create a co-ordinated approach and reduce ad-hoc expenditure and reliance on expensive recruitment agencies.

Given the Council's current position and the need to reduce overall costs, it is imperative that we focus our investment where this will have the greatest impact. Work is underway to reshape the organisation and this requires major cultural and people transformation. To deliver in the new model we need:

- greater flexibility and upskilling of our workforce, including people management capability;
- an equalities, diversity and inclusion strategy aligned to our values;
- a new approach to resourcing and employee development;
- high levels of engagement; and
- a culture that drives increased effort and stronger performance.

The final design and presentation of our new Workforce Strategy will reflect the Choose Havering branding and the Pledge.

3. Workforce Planning

Workforce planning is a core business process that will align the changing organisation needs with workforce strategy. This will provide the intelligence to help directorates focus on a range of challenges and issues, and prepare for initiatives to support longer-term goals.

Workforce planning has been lacking in the past, however two Council services: Planning Services (Neighbourhoods Directorate) and Property Services (Housing Directorate) have completed a Workforce Planning training programme delivered by the Local Government Association (LGA). The LGA are currently delivering the same programme to the whole of Adult Services. A core element of our new Workforce Strategy is workforce planning and extending the activity council-wide.

Workforce planning is not a prescriptive process nor intended as an exact science. It is about improving performance and reducing organisational risk by narrowing the gap between a directorate having the people it really needs and who it currently has.

¹ A group of people who share a common concern, asset of problems or an interest in a topic and who come together to fulfil both individual and group goals

‘The right people, with the right skills, in the right roles, at the right time and the right cost’ is what will ultimately deliver the right results for the Council. By taking a proactive, methodical approach to workforce planning, managers will understand where the risks and opportunities are going to come from and how they can ensure they have the resources they need to respond successfully to whatever future scenario unfolds.

The model at Appendix B provides a simple overview of the workforce planning process.

Skills and capability development, talent management and effective resourcing solutions will underpin effective workforce planning and will help make the Council an attractive place to work. This will also reduce the reliance on agency workers.

4. Work Styles

In response to the Covid-19 outbreak in March 2020, back-office functions transitioned almost exclusively to remote working. The proposal is to embed remote working as a long-term strategy and as part of the operating model.

Despite the complexities and challenges of living and working through the pandemic, employees have identified many benefits from working from home, for both them and the Council. These benefits include a better work-life balance, greater ability to focus with fewer distractions, more time for family and friends, saved commuting time and costs, IT upskilling and higher levels of motivation. Other benefits include savings on office space, higher levels of employee job satisfaction and reduced absence rates.

The future model will mean work activity will be performed according to where the need is, providing greater autonomy for employees, whilst maintaining service provision.

To enable the new way of working, a range of ‘work styles’ have been developed which reflect the way in which our whole workforce is required to operate. Further details of these are included in Appendix E1.1.

We will implement the new work styles alongside a comprehensive communication and engagement plan. All job roles will be assigned a work style, which in turn will be used to assign the appropriate IT kit and equipment needed to perform the role. This will be of significant benefit when attracting and onboarding new staff, as well as being transparent for existing staff.

5. Organisational Development (OD) and Culture Change

The Council is operating in a constantly changing environment, e.g. with technology rapidly evolving, rising costs of living impacting our residents, a significant proportion of our workforce are working remotely, new skills are needed, and we are facing a challenging financial position. Because of this, some of the practices we have used historically that used to perform well, no longer work as well as they did and need adjusting to maximise their impact on the Council achieving its goals.

A fundamental review of the Council’s Target Operating Model is underway, which will provide an opportunity to redesign how work is organised. However to achieve the

maximum benefit from this and drive up organisational performance, a planned and systematic approach to enabling sustained organisational performance through the involvement of our workforce is required. This will consider wider aspects such as organisational culture, capability, employee engagement, knowledge and skills, values and behaviours and relationships

The full benefits of a new operating model will not be realised if the Council does not take a holistic approach, i.e. to address matters such as the loss of knowledge and experience, acquiring or developing new skills requirements. This will require investment to ensure we continually review and adapt to change.

6. Workforce Skills, Capabilities and Behaviours

The Council needs to ensure all its people have the right skills at every level to help its residents overcome current and future challenges; it needs the right people with the right skills, capabilities and behaviours who:

- understand the benefits that data and technology can bring to our residents
- lead teams with empathy, care, honesty and fairness
- grow inclusive cultures that allow everyone to participate and belong
- work in a collaborative and agile way
- support an outcome based performance culture

The Council is operating in a constantly changing environment. With technology rapidly evolving and with a significant proportion of its workforce working remotely, new skills are required. It needs to adapt and use technology and digital solutions, reduce reliance on paper and rationalise use of office accommodation.

To achieve this it is recommended that the Council invest in a:

- learning and development (L&D) function
- learning management system (LMS)
- 3-year development programme, including people management development

In 2020 the Council's Senior Leadership Team completed work to explore its capability to work in a much more planned and strategic way. This led to a corporate skills assessment that identified critical and core skills gaps in a number of areas.

Capability and skills gaps and development programme recommendations are identified in the following appendices:

- Appendix C – Summary findings of skills assessment indicating that there are critical and core skills gaps in the following areas.
- Appendix D – Core People Management Development

7. People Policy Framework

One of the key deliverables of the Workforce Strategy is to implement modern employment policies, procedures and interventions that will be simple, clear and business focused to enable the organisation to attract, retain and develop high-performing employees.

To support the Council on its transformation journey, the following policies have been developed or refreshed to enable the change to be managed in line with the vision of the Workforce Strategy:

- Ways of Working
- Travel Expenses
- Working from Abroad
- Recruitment and Selection
- Organisational Change
- Redeployment

The above policies and enabling procedures can be viewed at Appendix E. All policies have been subject to an Equalities and Health Impact Assessment. Cabinet will receive further policies for approval as they are finalised.

8. Employee Engagement

Employee engagement is important to all organisations and having an effective strategy in place will help create a better work culture, reduce staff turnover, increase productivity, build better work and customer/resident relationships, and impact on the service to residents. Whilst we regularly communicate with our employees and engage them in various activities, there is no formal mechanism to seek feedback on a regular basis. An element of the Workforce Strategy is to introduce annual engagement surveys and shorter 'pulse' surveys. This will provide feedback on key areas and identify areas where we are performing well, but also areas for improvement.

REASONS AND OPTIONS

Reasons for the decision:

The proposed adoption of the new Workforce 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 global Covid-19 pandemic and the continued pressure on local government funding, investment in the Council's workforce is absolutely essential to ensure that we have a workforce fit for the future that will continue to deliver services to those residents most in need.

We are operating in a changing environment and with the shift to hybrid working, it is becoming increasingly challenging to attract talent to Havering – candidates have much more choice than ever as to where they can work. To be competitive, we need to modernise our approach to talent attraction and resourcing and create the Havering brand and our EVP to ensure that people ‘Choose Havering’.

Having the right people with the right skills, capabilities and behaviours is essential to operate in an ever-changing environment. Introducing and embedding workforce planning will ensure that we have succession plans in place for the most difficult to fill posts and professional roles. This will help us identify where we need to grow our own talent so they are equipped to apply for opportunities when they arise. We will continue to maximise the use of the Apprenticeship Levy for qualification training.

Other options considered:

Do nothing – Not recommended. A range of projects are underway to transform how the Council operates. The Council needs to embrace the opportunity to adopt and embed a Workforce Strategy that supports a new Target Operating Model (TOM) and introduces Workforce Planning and enables culture change. A ‘do nothing’ option has been rejected as this will not bring about the change needed for a modern and efficient Council.

Deliver the programme using in-house resources only – Not recommended. Havering does not have the dedicated resource capacity to deliver such this programme of works within a reasonable timescale and that aligns with the other transformational projects underway.

IMPLICATIONS AND RISKS

Financial implications and risks:

The cost of delivering the new Workforce Strategy and the associated projects, are as follows:

Workforce Strategy				
Itemised costs	Yr 1 (2022/23)	Yr 2 (2023/24)	Yr 3 (2024/25)	Ongoing
Workforce Planning – Digital Solution and Training Delivery * Including set up and project management	£60k	£38k	£30k	£30k pa
Employee Engagement Activity	£25k	£25k	£25k	£25k pa
Learning Management System	£60k*	£55k*	£40k	£40k pa

Cabinet, 9 November 2022

* Including set up and project management				
Learning & Development (resource and activity) ** 5 FTE £250k pa *** Commissioned L&D provision, including people management development £525k pa, reducing as more employees are upskilled	£50k** £100k***	£250k** £525k***	£250k** £525k***	£250k pa £275k pa***
LinkedIn professional user licence	£20k	£20k	£20k	£20k pa
Total	£315k	£913k	£890k	£640k

As it stands, the funding for this project has yet to be identified, but it is likely that costs up to March 2025 will be funded from reserves and the ongoing requirement will be built in the MTFS, as growth.

Legal implications and risks:

Legal advice has previously been given on the implications of the formalisation of the remote working model.

As with any contractual change or alteration to working requirements, the Council is required to adhere to both legal requirements and its own HR policies.

Human Resources implications and risks:

Our people are our greatest asset and we need to reflect this in how we manage our workforce, i.e. from their experience of recruitment, onboarding, personal/career development, terms and conditions of employment, our policy frameworks, and how they exit the organisation. All of this creates the organisational culture and our employees' experience will reflect their perception of what the council is like as an employer.

This proposed Workforce Strategy addresses a number of areas, which will modernise the Council as an employer and ensure we are competitive in the market. The outcome of various projects and activities will be assessed to determine any impact on the workforce and will be managed in accordance with the relevant policies and procedures at that time. However, it is anticipated that there will be positive cultural change as a result of this activity which will result in a number of organisational benefits such as:

- Improve recruitment and retention because of the increased flexible working and career development opportunities
- Improve motivation and employee engagement
- Reduce reliance of agency workers
- Reduce sickness levels, by improving health and wellbeing
- Improve morale
- Increase productivity and performance

- Skills and capabilities developed that make us fit for the future and improve organisational capability to deliver
- Brand perception and employee value proposition clear so we are an Employer of Choice

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 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.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a proposed or planned activity is likely to affect staff, service users, or other residents. The Council seeks to ensure equality, inclusion, and dignity for all, in all situations.

A comprehensive EqHIA will be conducted in advance of the proposals within this paper being implemented.

Health and Wellbeing implications and Risks

Under the Health and Social Care Act 2012, the council is responsible for improving and protecting the health and wellbeing of local residents. This commitment is set out in the Health and Wellbeing strategy and includes addressing the social, economic and environmental factors (wider health determinants) which shape our health.

As 62% of the Council's workforce are Havering residents, it is important that we consider the impact of the new Workforce Strategy on the health and wellbeing of our workforce.

Given the direction of travel, the Council will employ a smaller workforce, formalise different ways of working, including working remotely and the adoption of new technology. We will require our employees to learn new skills and adapt to working in new ways. This change will affect people in different ways and at different times and to support our

employees and take them on this journey we will ensure that we regularly communicate with, and engage our employees to help alleviate concerns and/or anxiety.

The introduction of an engagement survey will provide us with the information to measure the impact of change and highlight areas where we need to add further support. We will continue to review our wellbeing offer and put in place support, activities and other interventions to help alleviate the impact on mental health and emotional wellbeing.

We will continue to monitor other key indicators, such as sickness absence, in particular relating to workplace stress and take mitigating action as appropriate, for example, the provision of webinars, learning solutions, promotion of mental health first aiders or our employee assistance programme.

We review and strengthen our wellbeing offer across a range of themes on a regular basis and will continue to promote interventions that will support our employees, for example promoting sessions on building resilience, staying motivated at work, and financial wellbeing.

As we advance the actions included in the Workforce Strategy, we will measure the impact this is having on our employees and review and update our approach as necessary to minimise any negative impacts.

Environmental and Climate Change Implications and Risks

The Council has agreed for the organisation and the borough to be carbon neutral by 2040 or sooner.

Climate change is embedded in the new Workforce Strategy and all actions and interventions will have this as a core consideration. Whilst the strategy addresses the recruitment, retention and development of a skilled workforce, there are a number of areas where climate change is at the forefront. This includes:

- Remote working – this will reduce the need for employees to commute to the workplace, reducing carbon emissions in the Borough
- Learning – much of this will be managed digitally, avoiding the use of paper and printing materials
- Staff benefits – we will adopt environmentally friendly benefits where possible, for example through the promotion of our cycle to work scheme, or offering an electric vehicle lease scheme
- Climate champions – a community of people who share ideas on climate change

BACKGROUND PAPERS

None.