

Herefordshire Council's Human Resources and Workforce Strategy

Scrutiny Management Board Inquiry

Report and Recommendations

Overview:

On 28 November 2022, the Scrutiny Management Board (SMB) considered Herefordshire Council's Human Resources and Workforce Strategy. The committee were presented with a report and two supporting appendices presenting key human resources (HR) indicators and feedback from the recent staff survey¹.

This report presents the principal points presented to the SMB by the Cabinet Member and the Director of HR and Organisational Development (OD). It includes the key themes and lines of enquiry followed during the presentation of evidence and recommendations made by the committee for consideration by the Cabinet Member.

The council is moving from a position of relatively low to now having sufficient resource to make a difference in these key areas of work. The council's OD function brings forward council-wide initiatives designed to enable staff to be able to succeed and deliver the council's corporate strategic aims.

The council has a workforce strategy in place which covers the years 2021 – 2024. The strategy was written before the pandemic and before the appointment of the council's chief executive. This means that although the strategy is current and reflects many of the aims and ambitions for our workforce, the strategy is silent on some important aspects of working in the council such as children's improvement, our agile working programme which is called 'Flexible Futures' and our culture change programme called the 'Spirit of Herefordshire'.

The council is therefore bringing forward the production of the next workforce strategy by a year (to September 2023) to be able to build on these key ambitions. A central underpinning theme is a 'one council' approach. Staff not only working within their directorates but able to work across directorates to achieve cross work delivery.

¹ The full cover report and appendices can be found at: [Agenda for Scrutiny Management Board on Monday 28 November 2022, 2.00 pm - Herefordshire Council](#) (Item 36).

Key Line of Enquiry	Evidence Presented	The balance of evidence
<p>KLOE 1. Are there clear linkages between the strategic plans and staff delivery on those strategic plans.</p>	<p>I. Reorganisations of directorates to bring alignment with the County Plan has been undertaken. Staff structures feed in directly to key objectives/work streams of set out within the County and Local Delivery plans.</p> <p>II. Corporate support directorate – dealing with cross cutting teams that integrates knowledge and support, for example, legal, financial and governance related services.</p> <p>III. Adult and Children’s Services - It is important to recognise that the council must also fulfil its statutory functions which, although devolved in many areas, rely on a number of national policies and standards not set by the council.</p> <p>IV. The staff survey: indicates that overall good picture of how staff feel about their work. Staff score highly on indicators of sense of purpose (85% saying their work is meaningful), being proud (84%) followed by trust also at 84%. Staff indicated that they were able to use their own initiative (80%) and with the score of being willing to go beyond what is needed at 79%. However, four out of the five lowest ranking scores from the whole survey came from this section. The main emerging theme is that more is required to articulate the council’s overall vision and purpose. This in turn needs to be translated simply into priorities that staff can identify with in their day to day roles.</p>	<p>The committee recognised the clear linkages set out in the strategic vision of the council with the corporate structures that have been put in place. However, there was a less clear link felt by some staff about how their roles, responsibilities and delivery feed in to the council’s strategic vision and plan.</p> <p>To capitalise on the response from staff in regard to the positive outlook they have in regard to working practices, the Executive should ensure the council visions are conveyed more visibly through the updating of the workforce strategy. And, communications that highlight and celebrate the success of staff should include how their achievements link to specific council priorities.</p>
<p>Recommendation 1:</p>	<p>Clearer linkages are made between the council’s updated workforce strategy to the council priorities, organisational staffing structure and the delivery of service plans.</p>	
<p>Recommendation 2:</p>	<p>In line with the above, key performance indicators are built in to the updated work strategy to help evidence the impact the workforce has in relation to delivering the council local and statutory priorities.</p>	

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<p>KLOE 2: Measuring performance measures within the work strategy</p>	<p>I. Performance Reporting: The performance reporting framework for HR, is described as under developed but significant further work is underway to improve performance reporting. The council collects a range of data that is used to monitor the health of the organisation from a HR perspective. Data is produced monthly on absence, turnover, agency spend, headcount and mandatory training completion rates. It is shared with directorates but it is unclear as to the extent to which it is used.</p> <p>II. Capturing equality, diversity and inclusion data: Key diversity data such as the gender pay gap is reported annually and published on the council’s website. Key measures the committee had asked to be presented to be included for its consideration have been included in appendix 1. Of notable interest to the committee, but currently absent, was a lack of KPIs in relation to data on gender pay gaps.</p> <p>III. A widening gender pay gap: there is evidence to indicate that there is an increasing gender pay gap. An explanation for this is down to the increasing number of interim staff who are generally paid at higher rates of pay than permanent staff. While the gender split within the council equates to 75% female to 25% male workers, the increasing intake of interim staff show a higher proportion of men within this cohort.</p>	<p>The committee were grateful for the data pulled together and presented with this report.</p> <p>Concerns were noted that there was information to suggest the pay gap within the council is widening. More data to extrapolate the reasons behind this would be of benefit.</p>
<p>Recommendation 3:</p>	<p>The committee would like to see time series data captured from 2018 - 2022 in connection to gender pay and reported back to the committee, ideally, as part of the update to the workforce strategy being planned for September 2023.</p>	

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<p>KLOE 3: Staffing Matters – relating to:</p> <p>1: Permanent staff recruitment, and</p> <p>2: Interim posts and cost within the current staffing body</p> <p>3: Concerns over rapid staff turnover</p>	<p>Permanent staff: In most cases, the council would prefer to have permanent staff in post and aims to reduce reliance on agency workers. The council, like every local authority across the country has seen significant challenges in the recruitment and retention of staff. Ultimately it is hoped that some agency workers will decide to transfer onto the council’s permanent staff and a simple ‘Agency to Perm’ process is in place to encourage this.</p> <p>Interim staff - the advantages: Interim staff bring new wisdom, skills and expertise to the council. They also allow the council to work in a more agile manner, for example, where the council needs to bring new expertise to bear on a focussed work area for a set time period. Investment has, therefore, been placed in setting up a new project management office to assist with the council’s transformation programme. The interim market plays an essential role where the council has seen rapid staff turnover and significant increases in demand. For example in our social care and large infrastructure projects where agency staff are seen as the only real option.</p> <p>Interim Staff – the disadvantages: Given the nature of time limited appointments retaining organisational memory can be an issue. Further, interims are to a large extent self-employed and as such they have the ability to move more freely within the job marketplace. There are also questions around the merits in placing interim staffing arrangements around long-term council improvement programmes. For example, within adult and children’s social care.</p> <p>Relative costs to the council: interim staffing costs have been increasing significantly since 2018/19 (£3m p/a) to 2021/22 (£11m p/a). This spend, however, should be seen in the context of significant new demand and pressures being placed on some areas of council delivery. For example, the interim staffing cost in children’s services has risen from £800k in 2018/19 to over £6m in 2021/22.</p>	<p>The committee recognises the value and necessity of recruiting agency workers in the current ‘demand led’ service area and employment environment. However, it also introduces dis-benefits that to a large extent fall outside of the council’s control. Most notably escalating costs to the council and the risks that rapid staff turnover can bring interruption and inconsistent practices. These in turn can impact on the effective delivery of council priorities and services.</p> <p>The committee has welcomed the development of a new workforce strategy which aims to take in to account recent changes to council working. The committee welcome the proactive stance the council is taking to address significant pressures within some service areas, to capitalise on ‘Covid legacy’ working practices and the evolving leadership team priorities such as Flexible Futures and a ‘One Council’ culture.</p> <p>Further, the committee supports the move towards growing the permanent staffing base with a view to reducing reliance on interim staff.</p>
<p>Recommendation 4:</p>	<p>Noting the sharp increases in both cost and reliance of interim/agency workforce – particularly in children’s services – the committee would like to explore the strategies being developed, in the updated workforce strategy, aimed at retaining and recruiting permanent staff:</p> <ul style="list-style-type: none"> • Through open market recruitment and 	

	<ul style="list-style-type: none"> • Incentive schemes designed to retain interim staff to stay at the council on a more permanent footing. 	
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<p>KLOE 4: Learning and development opportunities – a key factor in staff leaving the authority?</p>	<p>Learning and development opportunities are now an important part of our employment offer to staff; they attract, support, develop and retain talent. In addition to the leadership development on offer there has been a consistent core offer for the existing workforce.</p> <p>The recent employee survey was used to survey staff on the Learning & Development offer and as such a number of improvements have been identified: The need to revise the Learning & Development offer; to offer more social and wellbeing activities, to support mental health, reduce isolation and review the corporate induction.</p> <p>Leadership Group: As the council needs to transform the way that it works, it will require different skillsets of its managers and leaders, particularly in managing by outcomes and impact and within hybrid teams. A review of leadership commenced in November 2022 with a view to modernise the leadership development programme offer to meet the future need of the council and its leaders. Once reviewed a new procurement exercise will be undertaken to find a development partner for relaunch in 2023 or the next three years.</p>	<p>In reviewing the staff survey a good understanding is being built around some of the drivers of staff turnover.</p> <p>Leavers report that the key areas where the council could improve are pay and conditions, career progression opportunities, clear organisational direction, better leadership and better access to training.</p>
Recommendation 5:	<p>The learning and development offer provided by Herefordshire Council to its employees is given high prominence within the evolving recruitment and retention strategies and programmes.</p>	