

Cherwell District Council and South Northamptonshire Council

Joint Commissioning Committee

15 September 2016

<p>Draft People and Organisational Development (OD) Strategy</p>

Report of Commercial Director

This report is public.

Purpose of report

To provide the Committee with a background and context to the Draft People and OD Strategy attached to this report for review.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Consider, review and agree the draft People and OD Strategy attached at Appendix 1.
- 1.2 Consider, review and agree the draft People and OD Strategy Action Plan attached at Appendix 2.

2.0 Introduction

- 2.1 During 2010 it was agreed that the two Councils would share resources and work together in a partnership approach. This has meant that during the last six years the Councils have undertaken a transformation programme including reviewing and restructuring of services to move to shared teams, to harmonise terms and conditions of employment, and to increase the opportunity for cost savings through shared procurement.
- 2.2 The HR and OD team became a shared team in September 2013, and the majority of the Councils' workforce is now working in shared teams, with the remainder being reviewed during 2016.
- 2.3 In 2015 the Councils agreed to move to a commercial business model that will use a mixed economy of alternative delivery models, such as council owned

companies, to deliver services and generate income, without this approach the Councils are unlikely to be able to balance their budgets over the next few years, and therefore a more commercial approach to deliver this is required. This is moving away from the traditional models in place for most local authorities.

- 2.4 Change is now a constant for both Councils, and there are many known and unknown activities and forces that will shape the future direction of travel for the Councils. This in turn creates challenges for the workforce in being able to deliver the Councils objectives, and it is hoped this draft People and OD Strategy has captured as many factors as possible that will create and develop the workforce for today and to meet future needs.

3.0 Report Details - The Strategy

- 3.1 The purpose of the strategy is to describe the HR & OD strategic aims for the Councils, in relation to the people it employs (the workforce), and in order to align those aims with the overall Councils' strategic objectives. The strategy will also propose the key workforce priorities designed to bring about achievement of those aims within agreed timescales. In doing so, it will also support the implementation of the Councils' business plans.
- 3.2 The draft People and OD strategy exists for three reasons:
- To enable and drive the delivery of the Councils' business and corporate plans through people
 - To attract and develop a highly talented and motivated workforce; and
 - To create a culture in which our people thrive.
- 3.3 The strategy takes into account the drive for a more commercial approach, and how the workforce will need to change and adapt in terms of skills and behaviours to meet these challenges, you will see words that are linked to both the Competency Framework and the Transformation Prospectus.
- 3.4 The strategy includes a PESTLE at Appendix 1 and this gives a summary of the key internal and external challenges that may impact on the People and OD Strategy, especially in being able to meet its aims.
- 3.5 Sections below included within this report provide an overview of the key organisational development and human resource management issues that the strategy and action plan and plan will address.
- 3.6 The HR and OD service has already begun a service review process to set out how it needs to develop to deliver the strategy and the HR service required by the Councils in the future.

4. Organisational Profile

These are the organisational profiles as at the end 31 July 2016.

CDC Profile

CDC Totals	Directorate	Established		Filled		Vacant		All Including Internal Transfers			Leaving CDC				Filled	
		Posts	FTE	Posts	FTE	Posts	FTE	Starters	Leavers	Turnover	Leavers	Turnover	Leavers	Turnover	Posts	FTE
	Chief Executive's Office	14	12.50	13	11.47	1	1.03	2	0	0.00	0	0.00	0	0.00	11	9.47
	Bicester	8	8.00	7	7.00	1	1.00	1	0	0.00	0	0.00	0	0.00	6	6.00
	Resources	131	115.66	98	67.38	33	48.28	9	4	4.26	3	3.19	3	3.19	94	83.05
	Community & Environment	270	249.89	243	226.19	27	23.71	18	6	2.59	5	2.16	5	2.16	232	221.52
	Development	150	138.11	125	76.21	25	61.91	6	3	2.46	3	2.46	3	2.46	122	108.92
	Totals	573	524.17	486	388.24	87	135.93	36	13	2.80	11	0.00	11	2.37	465	401.44

SNC Profile

SNC Totals	Directorate	Established		Filled		Vacant		All Including Internal Transfers			Leaving SNC				Filled	
		Posts	FTE	Posts	FTE	Posts	FTE	Starters	Leavers	Turnover	Leavers	Turnover	Leavers	Turnover	Posts	FTE
	Chief Executive's Office	1	1.00	1	1.00	0	0.00	0	0	0.00	0	0.00	0	0.00	1	1.00
	Resources	66	56.99	53	46.88	13	10.11	3	1	1.96	0	0.00	0	0.00	51	45.18
	Community & Environment	94	90.94	81	79.88	13	11.05	0	14	14.74	3	3.16	3	3.16	95	94.24
	Development	92	77.26	69	57.23	23	20.03	15	10	15.63	5	7.81	5	7.81	64	60.58
	Totals	253	226.18	204	184.99	49	41.19	18	25	11.85	8	0.00	8	0.00	211	199.80

5. Harmonisation of Terms and Conditions

- 5.1 Each Council remains an employer to a number of staff as detailed above, and as such has their own set of terms and conditions. However since 2011 these terms and conditions have been reviewed and the majority of terms and conditions are now identical for each Council. There are very few policies that are now not shared, and there is a plan to review all during 2016/2017. However this is also important to ensure that any such reviews going forward meet the needs of the Councils' objectives especially in relation to the commercial agenda, this is of particular relevance to reward and recognition, an area which has not yet been harmonised and will need to be reviewed in line with commercial objectives.

6. Staff Survey

- 6.1 The outline highlights of the staff survey undertaken in 2016, have recently been released. These are as stated below and although there will be a separate action plan for the staff survey, there is also some cross over in terms of categories for change which need to be taken into account as part of the future People and OD Strategy. As such actions resulting from the staff survey may appear in the action plan for the People and OD strategy.

6.2 Key findings

The response rate was 59% (433 out of 733 staff) compared to 71% (534 out of 748 staff) in 2013.

Many respondents were 'on the fence' by neither agreeing nor disagreeing with the statement / question posed. As the statements in the survey were predominately positively positioned i.e. do you feel something was better / improved / more effective, it has been considered the responses where staff neither agree nor disagree on a particular issue indicate a non-positive answer. This has been reflected in the key findings.

My Job	On the question whether changes in the past year have or will improve staff effectiveness, an overall 75% of respondents could not agree to this and 40% of respondents are not convinced they are recognised for doing a good job.
Development and training	Around two thirds of respondents indicate they use the appraisal process to offload issues and problems and around half could not agree they get training and development addressed.
Communication	As a whole, respondents felt communication is good across the organisation but around a third of respondents could not agree that we have good internal communication

	that keeps them informed and allows them to be aware of the contribution their role makes to overall performance. 50% of respondents could not agree the organisational awareness days were useful.
Management	Around 70% of respondents generally feel that they have good support from their line manager, but just under half may not get monthly 121s, whilst a third don't feel their opinions, ideas and views are taken forward. Additionally, two-thirds of respondents could not agree the changes have been managed effectively and that adequate assistance has been provided to enable staff to cope with the changes. 85% of respondents did agree that their team co-operates to get work done
JMT	Less than a third agreed that JMT is visible, dynamic, forward thinking, listens to staff or is honest with staff.
Line management	This doesn't appear to be something that respondents feel there is a huge problem with although the idea of managers escalating and acting upon ideas comes out strongly here again and a third of respondents are not sure their manager is good at managing people.
Work / Life Balance	A third of respondents cannot say they feel the amount of work they do is fair or appropriate although two thirds do not feel staff absence makes things more difficult.
Place of work (Facilities)	General positive responses were received towards the workplace but these become more negative when looking at break areas and catering amenities.
Place of work (Work stations)	Home working and hot desking provoke a strong negative response with two thirds of respondents suggesting they may not have the benefit of using these working practices. A third of respondents do not aim to have a clear desk policy.
Perceptions of the Council	A third of respondents could not agree to recommend working here and could also not agree they are proud to work here. Whilst pay is always a contentious issue, nearly half could not agree to say it's reasonable. Around 80% of respondents understand their role in safeguarding and believe the council is an equal opportunities employer.
Looking Ahead	Responses on job movement indicate a 12% churn rate. Nearly half of respondents don't see progression within 2 years.

7. Sickness Absence and Health and Wellbeing

- 7.1 Sickness absence is a key priority for the Councils, both in terms of the financial impact it has and the pressure it places on service delivery, notwithstanding the a need to address the overall health and wellbeing agenda which has now been agreed to during 2016. It is also important that the Councils ensure that effective strategies are in place to ensure health and wellbeing supports recruitment and retention, and staff motivation.
- 7.2 Both Councils have a target for sickness absence of 8 days per employee per year and at present these targets are not forecasted to be exceeded during 16/17, however it is important to ensure that this is the same for each year going forward and with changes within the way the workforce is expected to work, appropriate strategies need to be put in place to ensure this position does not change.

8. Leadership/Management and the Competency Framework

- 8.1 The importance of good leadership and management and associated behaviours in organisations cannot be overestimated, and this has been one of the key themes for the Competency Framework. In order to ensure both Councils can address areas such as; management behaviour, performance management, and leadership capacity and capability then these need to be taken account of in the strategy to ensure appropriate mechanisms of support are in place to enable improvement and development where this is needed. If this is not undertaken then managers and leaders may not have the capability and won't apply good management practices necessary to meet the needs of the organisation. Succession planning also needs to be taken account of to ensure future managers and leaders are also up-skilled.
- 8.2 Through having a single organisation framework, it will be possible to achieve consistency and standardisation of management/leadership training across the Councils, and will also support the move to a more commercial and excellent performance culture.
- 8.3 Succession planning can be broadly defined as identifying future potential leaders to fill key positions and is typically linked to business continuity and risk management. Given the changing nature of the Councils, it is essential to have a succession plan in place, as well as appropriate actions are taken, to ensure the continued leadership of the Councils. In addition to development there will need to be a review and formalise how the Councils apply succession planning and talent management. This is vital to ensure we have an understanding of the business critical posts within the Councils, the risks related to losing those posts and an understanding of how that risk will be addressed, supported by an internal supply of potential candidates.

9.0 Staff Engagement

- 9.1 During 2015 it was agreed by both Councils that a Joint Employee Council would be set up. This was mainly due to the fact that although there are recognition agreements in place for both CDC and SNC for Unison, there appear to be a low representation of actual Unison members across both Councils. Those employees who are not in the trade union have previously had limited access to consultation arrangements, and as a result of requests from employees the new JEC was set up in mid 2016 to be able to meet this request.
- 9.2 For a number of years the Councils have had good employee relations, however, in taking the next steps forward in employee relations, it is important to consider how our staff has a stake in the business and become fully engaged with what the Councils are trying to achieve. Engaged staff can deliver better customer satisfaction, trust and confidence, productivity and staff retention, as well as help facilitate change. In the current economic climate with the potential need to make swift organisational changes, staff engagement becomes even more important.

10. Learning & Development

- 10.1 The learning and development function sits within the HR and OD team and commissions & manages training interventions and supports a range of needs from meeting the organisational legal/statutory requirements to providing a platform for staff to develop personally. Given this, the aim will be for learning and development to be structured around a 3 tier model, as shown below.



- 10.2 In applying this model, it will be important to align this delivery to the both the short and longer term needs of workforce planning and role design. A key aspect of the occupational/role development will be in relation to the development and delivery of a consistent organisational approach to the training that support the Competency Framework and identified learning from the Role Competency Profiles.
- 10.3 This model will also allow the classification and prioritisation of training to ensure the achievement of statutory and mandatory training requirements, and will also support the need to recruit Apprentices in accordance with the requirements of national guidance on Apprenticeships.

- 10.4 In order to ensure learning & development meets the needs of both Councils, there will be a need to review approaches to training delivery, as well as incorporate a review of e-learning opportunities to ensure the Councils are well placed to take advantage of these approaches.

11. Employment & Recruitment

11.1 Recruitment

The cost of a “bad” appointment can be significant in any organisation. The implications of a “bad” appointment can impact:

- Financially
- On Time
- On Customers
- Team effectiveness
- Organisational reputation

The aim for the recruitment process will to bring into the Councils, people with the right **skills, knowledge, attitude and behaviours**.

11.2 Employment

Looking beyond the recruitment process, it is important to take a wider view of employment. In doing so, the Councils will need to consider a number of employment related aspects, such as:

- The Councils’ social responsibility as a large employer in the community
- The available recruitment pool and local employment factors
- Workforce planning needs
- The use of temporary staffing through bank and agency
- Work experience
- The development of apprentices
- Terms and conditions
- Work placements

12. Workforce Planning & Role Development

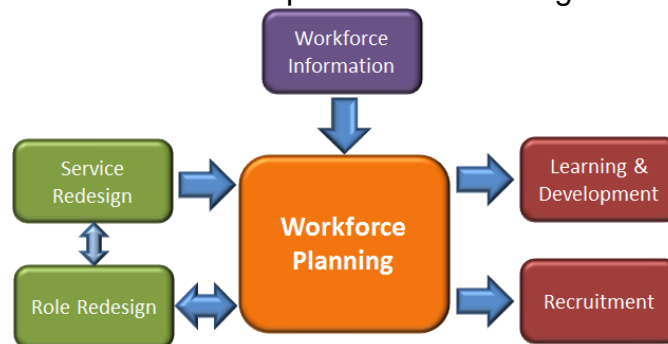
- 12.1 Development of the workforce will be crucial to achieving the Councils’ strategic aims, as well as on-going service delivery and workforce planning will be an essential element of our overall organisational development, at present there is no current data that allows this to happen.

Workforce planning describes a number of related activities and can be defined as providing the best care through a workforce of the right size, with the right skills and diversity, organised in the right way and within an affordable budget. Given this, workforce planning seeks to anticipate the

impact of these variables and anticipate potential future imbalance through providing answers to some key workforce questions such as:

- What will they do? What skills will they need?
- Where will they work? Where will they come from?
- How many people will we need?
- What is our current and projected workforce balance?

12.2 Given this, the workforce planning process should allow the Councils to understand where it is currently, where we need to be and identify how the gap will be filled, in terms of roles, skills and numbers. The output of this will have a direct impact on employment/recruitment and/or learning and development. These relationships are outlined in figure below.



Successful workforce planning, beyond just a simple “numbers game”, along with role re-design, will be pivotal in ensuring we have the right staff at the right time as well as support efficiency savings.

Traditional planning arrangements often identified available funding first, then identifying the number of traditional roles that this would support, before going onto develop job descriptions to support a new service. The aim will be to use the principle where future service requirements are the starting point before identifying the skills/competencies required to deliver that service and then developing a role that will meet those requirements.

13. HR Technology

13.1 Technology can be a key tool in support of wider workforce efficiency initiatives, as well as using technology to support and improve HR processes and information. At present limited workforce information is made available to managers and employees, and this should to be factored into the People and OD strategy. Without this improvements and efficiencies in relation to processes that are currently paper heavy and highly administrative cannot be changed, and managers are unable to receive information that will support decisions in relation to their workforce and services.

14.0 Conclusion and Reasons for Recommendations

The issues covered within this report highlight the many factors and considerations that have been taken account of to ensure that the People and OD strategy is as inclusive as can be known at this time. It is appreciated that the strategy may need an annual review to ensure that it still meets the needs of both Councils objectives and business plans but also to take account of any external forces that at this stage are unknown. However without this direction from the strategy there will be no clear direction of travel and wasted time and effort may be seen on workforce matters that do not deliver a return on investment. With staff being the Councils biggest resource and cost it is important to ensure that clear direction is given.

The figure below shows a summary of what is intended to be delivered by the strategy and the HR/OD service as it develops.



15.0 Consultation

Consultation is taking place with JMT, the trade unions and members of the JEC, and feedback will be provided verbally at the JCC meeting due to deadline and meeting timings.

16.0 Alternative Options and Reasons for Rejection

- 16.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not agree with the recommendations made in this report, however this will mean there is no current strategy to support people and OD requirements for both Councils.

17.0 Implications

Financial and Resource Implications

- 17.1 There are no direct financial implications arising from this report.

Comments checked by: Paul Sutton, Chief Finance Officer – 0300 003 0106,
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Legal Implications

- 17.2 There are no specific legal implications arising from this report.

Comments checked by: Kevin Lane, Head of Law and Governance – 0300
0030107, kevin.lane@cherwellandsouthnorthants.gov.uk

18.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

None

Lead Councillor

Cllr Barry Wood, Leader of the Council, CDC
Cllr Ian McCord, Leader of the Council, SNC

Document Information

Appendix No	Title
Appendix 1	Draft People and Organisational Development Strategy
Appendix 2	Draft Action Plan
Background Papers	
None	
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