

Futures in People

People and Organisational Development Strategy

Delivering for
Cherwell and South Northamptonshire

FINAL DRAFT

2016 – 2020



South Northamptonshire Council



DISTRICT COUNCIL
NORTH OXFORDSHIRE

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1 Introduction and Context

1.1 Introduction

Cherwell and South Northamptonshire Councils are working together in order to respond to customers' needs, champion local communities, and provide high quality and good value services. This partnership commenced in 2011 and has developed ever since, delivering in excess of £3.5 million a year in savings, protecting frontline services, attracting significant additional grant funding and winning awards for their entrepreneurial and innovative approaches.

With a strong track record of delivery in terms of organisational transformation, this strategy sets out the councils' approach to organisational development, people and change management in the period 2016-2020.

1.2 Context

The national policy landscape and medium term economic picture are in a state of flux with a new Cabinet and the longer term implications of Brexit not yet clear.

However, the financial outlook for local authorities remains challenging and this is unlikely to change. The two councils are facing significant funding deficits in their medium term revenue plans. Government policy has encouraged councils to share services and in the wider public sector, outsourcing, budget pooling and alternative forms of service delivery (including commercialisation) are all being developed at pace.

Given national policy change and the likelihood of on-going financial constraints, delivery of the councils strategic priorities around sustainable economic growth, housing, community development and supporting vulnerable people remain at the heart of the transformation programme. Opportunities for devolution and working in partnerships either at the regional level or across sectors continue to be explored and proposals for business transformation, further joint working or commercialisation will be developed with governance that is flexible enough to accommodate change whilst continuing to deliver strategic priorities.

The commercial strategy adopted by the councils, and the new business operating model developed to deliver them, provides an opportunity to generate income, further reduce running costs and remain flexible and sustainable as sovereign councils in the long term.

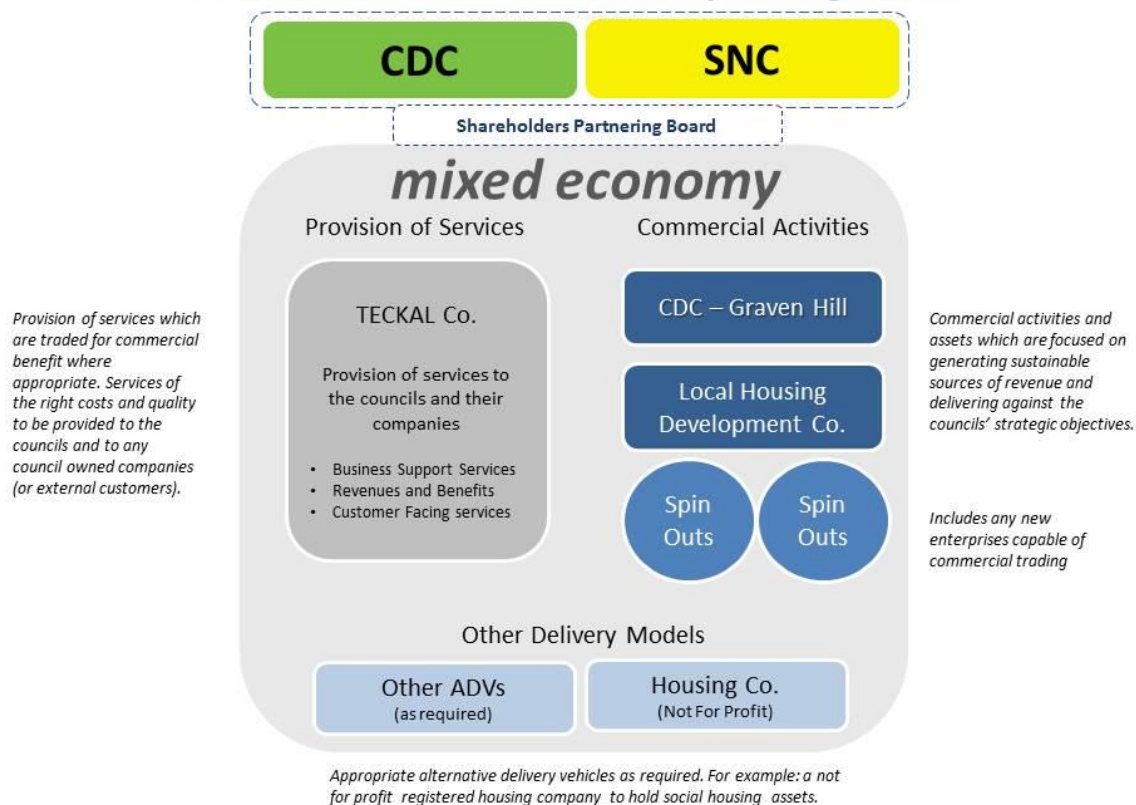
1.3 Drivers of Change and Future Direction

The national political context, changing demographics, increasing customer expectation and the councils' strategic priorities for the district have shaped the development of the transformation programme and the commercial strategy. These two programmes set out how the councils will need to work in the future, including new skills and competencies for the workforce, new ways of working, technological change, leadership and development.

The councils have committed to a new business operating model that will use a mixed economy of delivery vehicles, such as council owned companies, to deliver services and generate income. The people and organisational development strategy will ensure that the right support is available for employees as change happens and that the right organisational

changes take place whether this is in terms of policy, process, design, training, and leadership or performance management.

Commercial Councils – a new operating model



1.4 Future Challenges

All councils will be facing significant challenges over the next few years and this is likely to continue to change as time moves on, some may be fully understood now and others emerging as the future unfolds.

In developing this strategy some of these known challenges have been considered along with the needs of both Councils' Business plans, some of these are detailed below, explored in more detail in the PESTLE analysis (see appendix):

- Increasing demands of the population including older people and younger adults with high needs
- The pressures on the local economy with continued growth in both districts and the changing demographic picture
- Increasing health needs and the shift in public health responsibilities
- An uncertain economic outlook and resultant gaps in the medium term financial plan
- The need for partnership working across all sectors, devolution options and the development of commercial opportunities
- A reduction in resource availability and the need for a talented, agile and focused workforce along with the challenges of recruitment in some key roles

1.5 A People and Organisational Development Strategy

The next five years and beyond will be challenging for both Councils. Our workforce is central to our success and is fundamental to developing an organisation that is fit for the future.

This strategy outlines the future needs of our workforce now and in the future. From attracting and retaining the right people, providing the development they need to allow them to grow and progress, developing and supporting behaviours that support organisational and culture change, managing the talent and planning for the future the way in which we lead and manage our people is key to the successful delivery of quality services.

This strategy sets the overarching principles for organisational development, human resources and learning and development that meet the needs of both councils. It aims to ensure that we have the right people with the right skills in the right place at the right time to deliver quality services to the people of both districts, within a challenging financial context.

2 OD and HR Priorities - what the strategy will deliver

2.1 A vision for people and organisational development

Organisational Development (OD) is a planned and systematic approach to sustained organisation performance. It delivers through promoting a whole system and culture change which enables the organisation to deliver its long term objectives and improve its effectiveness.

In ten years' time local authorities will look and feel very different to now and our human resources, training and organisational development service will need to be flexible to meet future customer service and organisational demands during this period.

2.2 Vision and Values of the HR and OD Team

The human resources and organisational development team exists to support the delivery of the strategy and ensure there are effective HR and OD policies and processes in place. The role of the team is to provide advice, support and solutions working with managers and employees in matters relating to HR and OD, including activities such as recruitment, performance management, professional and personal development.

The team will work with their customers to develop solutions that:

- Enable and drive the delivery of the Councils' business and corporate plans through effective people management
- Attract and develop a highly talented and motivated workforce
- Create a culture in which people thrive

Through

- HR expertise and professionalism

- Working in partnership
- Supporting the move to commercial activity
- Business focused solutions
- Driving and facilitating change
- Developing and empowering leaders and managers
- Effective systems, policies and processes

Our values of the team are:

- Trust
- Integrity
- Responsiveness
- Customer-Focus

2.3 What will the strategy deliver?

The strategy will support the implementation of the councils' strategic priorities, their transformation objectives and the long term development of a high performing, skilled and adaptable workforce, supported by an organisational culture that:

- Embraces change
- Values performance, delivery and innovation
- Is leaner and more efficient
- Is able to manage risk productively
- Is driven by good management and leadership supported with a high quality planned management and leadership development programme
- Attracts and retains excellent staff
- Seeks and learns from open and honest feedback
- Is open to deliver services in new ways

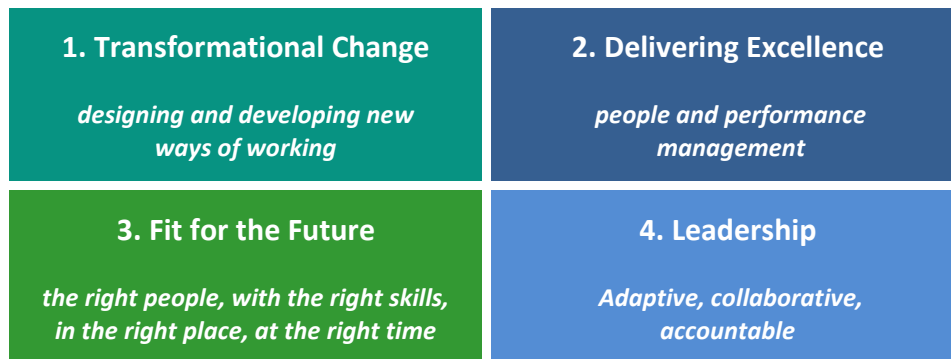
The projects, changes and initiatives that will deliver the strategy are outlined in the accompanying action plan; they will adhere to the following principles:

- Employee engagement – getting feedback about what works
- Flexible and agile workforce – supporting people to develop and gain transferable skills
- Support that will be targeted at all levels of employees
- Implemented at organisation wide, team and individual levels

3 Strategic Objectives and Deliverables

3.1 The Four Core Delivery Themes

The People and Organisational Development Strategy sets out a series of key objectives grouped into four core themes. These themes have been developed to ensure the strategy shapes the organisational characteristics, culture, systems and processes, as well as the development of a skilled workforce, required to meet the needs of the future and the councils' long term strategic objectives as set out in their business plans.



This section summarises the desired outcomes and objectives of the strategy. To deliver the strategy a number of interventions and activities will take place and the accompanying action plan sets out the tasks and projects that will be delivered in the medium term (between 2016 and 2020) to meet these objectives.

These activities will include:

- ➔ policy and process review and change
- ➔ organisational development interventions such as the competency framework
- ➔ review of learning and development and training interventions
- ➔ better employee engagement and communication development
- ➔ changes to organisational design and structure
- ➔ new ways of working, including reviewing terms and conditions where appropriate
- ➔ health and wellbeing changes
- ➔ review of management information requirements

3.2 **Objective 1:** Transformational change: designing and developing new ways of working

Transformational change: designing and developing new ways of working

Activities undertaken within this theme will support the organisations' transformation objectives. This includes implementation of new ways of working, such as alternative service delivery models, the development of new commercial enterprises or significant changes to the way a service is

commissioned or delivered. As well as supporting the change process itself, including the impact on employees and customers, this objective will ensure the organisations become resilient and agile, with a culture ready for new changes and challenges.

Outcomes – What we plan to achieve

We will manage the process of change efficiently and have service models and operational structures in place which have both addressed budget reductions and the needs of priority services. We will use best practice approaches to services design, including business process engineering and the delivery of relevant technology solutions.

Activities – What we will do:

1.1	Developing a framework for change management incorporating employee and trade union engagement and communication
1.2	Promoting a programme of learning to support transformational change and innovation
1.3	Supporting the design and implementation of alternative business / service delivery models, including shared services.
1.4.	A HR service that supports commercial council services (including a new SLA)
1.5	Developing a coaching approach to support change and to learn from mentors

3.3 Objective 2: Delivering excellence: people and performance management

**Delivering excellence:
people and performance management**

Activities undertaken in this theme will transform our approach to human resource management. They will focus on the delivery of effective people and performance management policy that directly supports the delivery of the councils’ strategic and transformational objectives.

Outcomes – What we plan to achieve

A customer focused performance culture, where delivery is rewarded, success celebrated and areas for improvement addressed.

Our managers will have the skills, abilities and confidence to manage and promote the expected standard of performance, our employees will be empowered to deliver.

Activities – What we will do:

2.1	Reviewing and strengthening our appraisal and personal development (PDP) processes to ensure all employees have relevant performance development plans in place
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2.2	Assist managers to identify, target and improve poor levels of performance, and where required enhance process and policy to support this
2.3	Review reward and recognition, to help underpin our performance culture and attract and retain the workforce
2.4	Delivering a cultural change to embed positive values of commercialism, to be more business-like and cost aware
2.5	Implementing a programme of developments to improve our HR and payroll database, to provide accurate and easily accessible management information
2.6	Review management information and refine and develop from the current suite of management information measures to support enhanced performance

3.4 **Objective 3: Fit for the future: the right people, with the right skills, in the right place, at the right time**

**Fit for the future:
the right people, with the right skills, in the right place, at the right time**

Activities undertaken in this theme will be focused on ensuring we have a planned approach to developing our workforce. They will include succession planning, talent management, employee engagement, learning and development. This work area will also ensure the organisation has the right management information to make decisions about workforce development and organisational design.

Outcomes – What we plan to achieve

Our workforce will be trained, qualified and experienced, to deliver quality services which meet current and anticipated service needs.

Our workforce will have the skills, abilities and confidence to meet the needs of services for the future and will embrace new ways of working.

Activities – What we will do:

3.1	Implementation of competency based management approach clearly linking performance to our competency framework
3.2	Reviewing and improving our employee engagement, communication and reward/recognition arrangements including celebrating success and health and wellbeing programmes
3.3	Developing talent for the future through Talent Management and Succession Planning programmes

3.4	Promoting our Competency Framework and all behaviours for all employees and ensure appropriate learning opportunities are available to support any 'gaps' identified
3.5	Ensuring that corporate learning and development programmes are driven by the needs of the organisations, make best use technology and specialist in house knowledge and are informed by the Workforce Planning Framework
3.6	Review recruitment processes to develop innovative ways to attract and recruit new talent
3.7	Creating employment and training opportunities for young people in the community by exploring training schemes and further developing Apprenticeships

3.5 **Objective 4: Leadership: Adaptive, collaborative, accountable**

**Leadership:
Adaptive, collaborative, accountable**

This final theme sets out a series of objectives which aim to ensure the councils, and their businesses, excel in terms of both political and managerial leadership, collaborative working, strategic capacity and operational expertise.

The focus of this theme will be on developing a systematic approach to create a learning environment in terms of both technical and professional skills and establishing a culture of learning and improvement.

Outcomes – What we plan to achieve

All our managers will lead, motivate, energise, and encourage innovation and commercialisation and will be viewed as role models, be highly effective, supportive and approachable.

Activities – What we will do:

4.1	Delivery of a new leadership development programme
4.2	Delivery of a new management development programme
4.3	Delivery of a new member development programme
4.4	Implementation of matrix delivery arrangements to support corporate delivery and break down silos
4.5	Develop a future leaders programme to support workforce planning and succession management
4.6	Integrating coaching and mentoring into leadership and management approaches

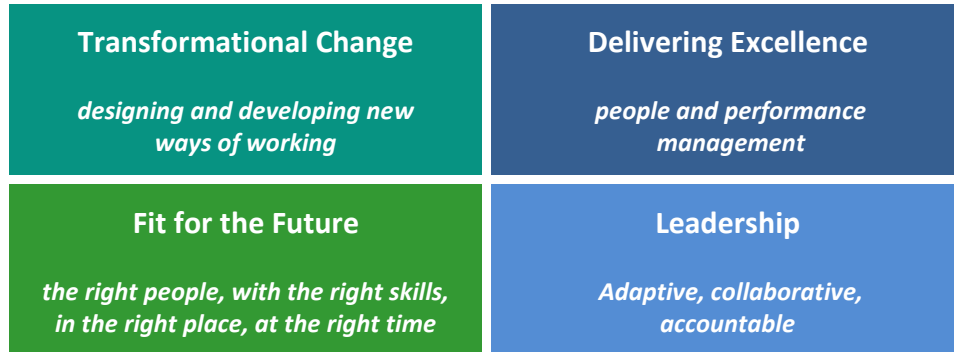
4.7	Using the Competency Framework to identify gaps in management and leadership behaviours and support development using learning methods identified for this purpose
4.8	Proactively facilitating partnership and collaborative working to enhance learning and development opportunities and policy development
4.9	Support the proactive use of staff engagement opportunities and to ensure there is a focus on innovation, efficiency and collaborative working
4.10	Support managers and leaders to lead by example and promote behaviours in accordance with the Competency Framework and to challenge others constructively where this is not seen

4 Implementation, Monitoring and Review

4.1 Performance Review

The strategy is owned by the strategic management team and is underpinned by an action plan which is reviewed and updated on an annual basis.

The action plan is based around the four core themes and the objectives and actions that will deliver against them.



Performance and delivery is monitored as part of the Councils' transformation programme, however an agreed set of targets will need to be agreed to support the monitoring of the strategy.

Operational impact will be measured through a suite of KPIs and a twice yearly snap shot employee survey will also be used to collect feedback.

4.2 Key Performance Measures

A suite of KPIs will be developed and reported on. It will include core HR measures such as those listed below. In addition relevant organisational development measures will also be identified.

- Sickness / Employee satisfaction / Training Evaluation
- Appraisals (completions) / Personal Development Plans (delivery)

Appendix 1: PESTLE Analysis

Overview of external factors that may have an impact on the delivery or content of the People and Organisational Development Strategy.

	Issue	Potential Impact
Political	<ul style="list-style-type: none"> • Devolution 	Potential impact on organisation design, reconfiguration, governance.
	<ul style="list-style-type: none"> • New national government emerging new policy 	Unknown policy change, but likely to see continued focus on economic growth and housing delivery
	<ul style="list-style-type: none"> • Local issues/priorities 	Importance to keep local focus to policy and service delivery
	<ul style="list-style-type: none"> • Drive to share/commission services 	On-going joint working business cases
	<ul style="list-style-type: none"> • Major political change 	Election – new policy environment, organisations must be ready to adapt to new policy.
Economic	<ul style="list-style-type: none"> • Macro-economic implications of Brexit 	E.g. recession, lower interest rates etc. Possible increase in financial constraint, possible opportunities for borrowing at better rates
	<ul style="list-style-type: none"> • Recession – implications for customers / service users 	Increased service demand, increased pressure on local jobs market
	<ul style="list-style-type: none"> • Potential reduction in property / asset values 	Possible impact on viability of housing/property and asset projects
	<ul style="list-style-type: none"> • Income generation 	Support for services needing to trade/commercialise, support for council owned companies/entities
	<ul style="list-style-type: none"> • Reduced government funding 	Reductions in government and other funding streams require services to consider efficiencies in order to meet budget demands, possibly doing more for less.
Social	<ul style="list-style-type: none"> • Ageing population 	New service demands, links to health, wellbeing and adult social care, changes to workforce demographic.
	<ul style="list-style-type: none"> • More mobile population 	Recruitment opportunities/more transient workforce. Community impact, more travelling to work/ homeworking communities. Impact on service delivery.
	<ul style="list-style-type: none"> • Higher customer expectations/demand 	Increasing demands from customers, based on experience with other service providers (e.g. who may be better equipped for online). Requiring service design, process change and technology interface.

	Issue	Potential Impact
	<ul style="list-style-type: none"> • Skills shortages in key professions 	Difficultly recruiting quality staff, impacts on pay and reward talent management, workforce planning.
Technological	<ul style="list-style-type: none"> • Agile working 	Skills, technology and cultural change to deliver effective remote and agile working, impact on working environments
	<ul style="list-style-type: none"> • Self service 	Efficiencies for HR process to facilitate self-service and reduce costs of transaction HR
	<ul style="list-style-type: none"> • Data / information management 	Management information to effectively plan and deploy workforce
	<ul style="list-style-type: none"> • Workforce skills 	Ensuring the workforce is able to use new and emerging tech.
	<ul style="list-style-type: none"> • Recruitment 	Shift to online and more flexible/tailored/individual recruitment
	<ul style="list-style-type: none"> • Online transactions, channel shift and service design 	Cultural and service design changes required to deliver.
	<ul style="list-style-type: none"> • Social media (communications, recruitment, networking, L&D) 	New ways of working to maximise the benefits and opportunities from increased social media and networking.
	Legal	<ul style="list-style-type: none"> • Brexit – European Law
<ul style="list-style-type: none"> • Employment law changes and governmental requirements 		Equal pay law changes will require changes to data publication and may increase equal pay claims
<ul style="list-style-type: none"> • TUPE 		Implications for alternative models of service delivery
<ul style="list-style-type: none"> • Changes to LG pension scheme 		Implications for alternative models of service delivery (possible increase costs)
<ul style="list-style-type: none"> • New business regulation 		Requiring new approaches / services from council businesses/services
<ul style="list-style-type: none"> • Skills gaps 		Current focus of the legal service offer not necessarily aligned with the requirements of the new operating model, high external spend, not currently a trading unit.
Environmental	<ul style="list-style-type: none"> • Changes to environmental regulation 	Impact of environmental regulation on service delivery, skills, learning and development implications
	<ul style="list-style-type: none"> • Environmental events 	Effective business continuity, emergency planning community resilience and disaster recovery competencies embedded in the organisation and any owned entities.