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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>7 January 2025</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/85/24/AP</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>712090</b>
<b>Subject:</b>	<b>Best Value Thematic Review – Workforce Innovation</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 On 24 October 2024, the Council considered the Annual Accounts, Annual Audit Report and Best Value Thematic Review which this year covered, “Workforce Innovation – How councils are responding to workforce challenges”. The Council approved the identified actions and remitted the report to the Audit Committee for further consideration.

## **2.0 RECOMMENDATIONS**

2.1 The Committee are asked to consider the contents and actions within the Thematic Review and provide any further feedback to officers.

**Alan Puckrin**  
**Chief Financial Officer**

### 3.0 BACKGROUND AND CONTEXT

- 3.1 On 24 October 2024, the Council considered the Annual Accounts, Annual Audit Report and Best Value Thematic Review which this year covered, "Workforce Innovation – How councils are responding to workforce challenges". The Council approved the actions identified and noted that the Thematic Review would be considered further by the Audit Committee.
- 3.2 The report is attached at appendix 1 and the three actions approved by the Council appear within appendix 1 of that paper and progress against delivery will be monitored via the regular monitoring of delivery of external audit actions.

### 4.0 PROPOSALS

- 4.1 It is proposed that the Committee review the document and provide feedback to officers on its contents.

### 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

SUBJECT	YES	NO
Financial		x
Legal/Risk	x	
Human Resources		x
Strategic (Partnership Plan/Council Plan)	x	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		x
Environmental & Sustainability		x
Data Protection		x

#### 5.2 Finance

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

### **5.3 Legal/Risk**

By the Audit Committee independently reviewing the contents of this report it supports strong governance and officer accountability.

### **5.4 Human Resources**

There are no HR issues arising.

### **5.5 Strategic**

The need to develop and support the Council workforce and modernise how the Council delivers its services are strategic priorities of the Council.

## **6.0 CONSULTATION**

6.1 No consultation was required.

## **7.0 BACKGROUND PAPERS**

7.1 None.

# Workforce Innovation - how councils are responding to workforce challenges

Best Value thematic work in councils 2023-24

Inverclyde Council

DRAFT

September 2024

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# Key messages

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The workforce strategy supports the council's priorities and is integral to its transformation plans.

The Council has a digital modernisation plan in place and has started realising workforce benefits through its use of digital technology.

The council promotes remote working as a staff benefit; it needs to demonstrate the impact, of the same, on service performance on a periodic basis.

The council has plans to make good use of apprenticeships and succession planning.

The council has shared some key posts with other councils but has gradually moved away from joint workforce arrangements. The Council is not implementing joint working with other councils on a significant scale.

The council actively monitors progress with its workforce strategy and plans

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# Scope of the audit

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The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure.

This report sets out how the council is responding to current workforce challenges through building capacity, increasing productivity and innovation.

The [Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

## Code of Audit Practice 2020 Best Value reporting requirements

### Best Value reporting – extract from the Code

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.
- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges. In carrying out the work auditors have considered the following questions:

- How effectively are the council's workforce plans integrated with its strategic plans and priorities?
- How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?
- How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?
- What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?
- What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?
- How effectively is the council measuring the impact of its workforce planning approach?

An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).



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# Workforce strategy and priorities

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## **The workforce strategy is in place; it supports the council's priorities and is integral to its transformation plans.**

Workforce planning involves identifying and addressing future capacity and skills gaps, at operational and leadership levels. It requires strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trades unions.

A council focused on achieving Best Value will have a workforce strategy that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.

To be effective, workforce planning must be integrated across the organisation. Workforce strategies need to support the council in achieving its strategic priorities. They must support other key plans including financial, asset, digital and transformation planning. They need to be under-pinned with detailed workforce plans within services.

This section of the report considers the following question:

### ***How effectively are the council's workforce plans integrated with its strategic plans and priorities?***

The overall strategic framework within which the Council operates is outlined in the Strategic Planning and Performance Management Framework. A new Framework was implemented in 2023 and includes the Inverclyde Alliance Partnership Plan 2023/33 (the partnership plan), the Council Plan 2023/28, Committee Delivery and Improvement Plans 2023/26 and the Financial Strategy.

The Partnership Plan is a high-level strategic partnership document setting out the vision and direction for the Inverclyde area, as agreed by all the Inverclyde Alliance partner organisations and communities. The Partnership Action Plans set out the Partnership's actions which will contribute to the achievement of the Alliance priorities.

The 2023-28 Council Plan sets out the vision for the Council as a whole and the ways in which it hopes to improve the lives of, and deliver better outcomes for, the people of Inverclyde. This was approved by the Council in April 2023.

The plan identifies three key themes / priority areas across which work is aimed to be performed (People, Place and Performance). The plan further identifies the outcomes that are planned to be achieved under each of the priority areas.

The priority area relevant to workforce is Performance. Outcomes identified in plan, corresponding to performance are as follows:

- High quality and innovative services are provided, giving value for money.
- Our employees are supported and developed.

The Council has Committee Delivery and Improvement Plans and the Service plans in place. These plans lay down the associated actions at the committee and service level to support the strategic objectives identified under the Council Plan.

The council plan notes that the Council's People and Organisational Development Strategy sets out how they will meet the challenges that the Council will face over the short term to ensure that our workforce is positive, motivated and well managed.

A report titled "People and Organisational Development Strategy 2024 – 2027" was presented to the Policy and Resource Committee dated 26<sup>th</sup> March 2024. The purpose of this report was to advise the Policy and Resources Committee of progress made against the 2020-23 People and Organisational Development Strategy and seek approval of the 5th edition of the strategy for 2024-27. The strategy was approved by the Policy and Resource Committee at this meeting.

The report noted that the 2024-27 strategy has been developed in conjunction with stakeholders and sets out a number of key workforce and organisational development priorities across the following four themes:-

- Organisational Development (Planning for the Future)
- Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)
- Employer of Choice (Continuous Improvement)
- Fairness & Equality (Promoting Equality, Dignity & Respect)

The main purpose of the strategy is to ensure that the Council can continue to deliver its core objectives, with an engaged and motivated workforce in a climate of financial and resource constraints, alongside increased service delivery demands.

The report notes the alignment of the strategy with the relevant outcomes included in the Council plan i.e. "High quality and innovative services are provided, giving value for money" and "Our employees are supported and developed".

The report further notes that the stakeholder engagement on this latest version of the strategy included workshops with the Extended Corporate Management Team, Heads of Educational Establishments, Service Managers and feedback from the Employee Opinion Survey. Consultation on the development of this strategy had also taken place with the Trade Unions, the Women's and Staff Disability Forums and the Workforce Planning and Development Group which has representation from all Directorates of the Council. It is also informed by the Workforce Information Activity Report (WIAR), which provides statistical analysis.

The People and Organisational Development Strategy 2024-2027 sets out a number of key workforce and organisational development priorities across the themes of Organisational Development; Employee Skills Development, Leadership, Succession Planning; Employer of Choice and Fairness & Equality. These themes are planned to be supported by key HR Policies and an action plan which has been developed to ensure it supports the delivery and achievement of key service priorities and outcomes.

The strategy document lays down the aims, description of successful outcomes and the proposed actions to achieve these outcomes under each of the key themes.

The strategy document further specifies the delivery and monitoring mechanism in relation to the desired objectives which includes the description of statistical reports, frequency of reporting of these reports and the authorities to which the same are reported. The table below includes the details of the same:

Statistical Report	Reported To	Frequency
Workforce Information and Activity Report	Heads of Service and Directors	Quarterly
	Corporate Management Team	Annually
	Policy and Resources Committee	Annually
Inverclyde Council Equality Mainstreaming Report	Corporate Management Team	Two years
	Policy and Resources Committee	Two years
Internal HR and OD process statistics	Relevant illustrative performance indicators will be included in the six monthly reporting to the CMT.	Six monthly

The Workforce Information and Activity Report is designed to be informative and to encourage participation in organisational development and workforce planning activity. The content includes key information on attendance, performance and workforce demographics and includes a comparison with the previous two years in key areas.

The latest annual Workforce Information and Activity Report corresponding to 2022/23 was presented to the Policy and Resource Committee dated 6 February 2024. The purpose of this report was to advise the Policy and Resources Committee of key workforce information and activity for the year 1 April 2022 to 31 March 2023. This annual report had been provided to the Corporate Management Team in recent years to support workforce planning, through trend analysis and performance against targets, and has been submitted to the Policy and Resources Committee the past three years to provide members with a useful overview of workforce activity and analysis.

The report includes statistical data across a number of areas including:

- Attendance and Performance Appraisal Information
- Employee Demographics
- Sessional Worker Activity – Workforce Planning
- Human Resources Support Activity
- Organisational Development Support Activity
- Health and Safety Activity

As part of our previous best value reporting, we noted that some service workforce plans within Environment and Regeneration are required to be refreshed in order to develop proposals which address wider issues relating to succession planning, due to an ageing profile of some staff groups, staff retention challenges and single person dependencies. We had recommended that workforce plans should be refreshed on a timely basis. The workforce and development plan for this committee has now been developed and is planned to be formally reported as an update to the committee in October 2024.

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# Digital technology and the workforce

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## **The Council has a plan in place with respect to digital modernisation and has started realising workforce benefits through its use of digital technology.**

The LGO notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

Digital technology has a strong bearing on a council's workforce needs. It can be used to re-shape jobs to increase productivity and reduce back-office functions while improving service quality. Technology solutions include online services, customer relationship management systems, mobile digital devices and more recently, artificial intelligence (AI) applications.

Councils need to be innovative in their use of technology and build on new working practices that emerged during the pandemic. In doing so, they must also consider service quality and the needs of people experiencing digital exclusion.

*This section of the report considers the following question:*

### ***How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?***

One of the outcomes identified, as part of the latest Council Plan, under the key theme "performance" is "High quality and innovative services are provided, giving value for money".

The Council has developed three underlying Committee delivery and Improvement plans to support the achievement of the outcomes identified under the Council Plan.

As part of the Policy and Resources Committee Delivery and Improvement Plan 2023/26 the Council identifies "Modernisation of the Council" as a key item to support the performance theme of the Council Plan.

The creation of a Digital Modernisation Project Board (DMPB) was approved in March 2023, chaired by the Chief Executive, to oversee the delivery of the Council's Digital Modernisation Programme. The DMPB meets bi-monthly, and includes representation from the 3 Directorates plus ICT, Legal, Finance and HR, its purpose being to provide support and challenge and ensure that momentum is maintained in the delivery of individual digital modernisation projects. We have inspected evidence of regular meeting of the DMPB which include updates against the ongoing projects as well as details of new proposals related to digital modernisation of the Council.

As part of the approval of the Council's Revenue Budget for 2023/24, on 2 March 2023, it was agreed that £1M of reserves be utilised towards digital modernisation. The Digital Modernisation Programme is intended to comprise projects that seek to implement digital improvements aligned to specific service requirements, but also aligned to wider strategic objectives.

The Policy and Resources Committee Delivery and Improvement Plan 2023/26 identified the following measures to further the Modernisation of the Council Objective:

- Have 4 Digital Modernisation projects approved and implemented.
- Continue delivery of the Council's Digital Strategy to deliver better services for customers and citizens, including through Channel Shift.
- Continue delivery of the Council's ICT Strategy to support the changing face of the Council, including through progression of migration towards a cloud-based service including a hybrid telephony solution.
- Refresh the Council's Digital Strategy and ICT Strategy, to be adopted by Policy and Resource Committee during 2024

Following is an extract of the progress update reported to the Committee dated 26 March 2024, against the above measures:

Item	Progress Update
Have 4 Digital Modernisation projects approved and implemented.	<p>This Committee approved four new projects on 15th August 2023. Procurement action has been completed and project initiation and implementation has begun as below:</p> <ul style="list-style-type: none"> <li>• Freshdesk Service Desk Renewal – Project underway, cloud-based system is in place and configuration and implementation started. Estimated Project Completion June 2024</li> <li>• Verint CMS Upgrade – Project initiation meetings complete and supplier resource allocated. Estimated project Completion September 2024</li> <li>• WorkPro Complaints Handling System – Procurement complete – awaiting supplier resource for implementation.</li> <li>• Schools Catering Contract Refresh – On Schedule for completion during Easter Break</li> </ul>
Continue delivery of the Council's Digital Strategy to deliver better services for customers and citizens, including through Channel Shift.	The Modernisation Programme Board was established in May 2023. A development session with the Improvement Service and front-line managers was held on 29th August 2023 to identify areas for digital improvement. Business Cases have been developed, or are in development, for a number of service proposals.
Continue delivery of the Council's ICT Strategy to support the changing face of the Council, including through progression of migration towards a cloud-based service including a hybrid telephony solution.	<p>The ICT Strategy identified 4 key action areas:</p> <ol style="list-style-type: none"> <li>1. Asset Management Programme &amp; Cloud Migration Strategy;</li> <li>2. Service Provision;</li> <li>3. Information Security</li> <li>4. Procurement Strategy</li> </ol> <p>Good progress is being made across all 4 Action Areas, with regular reports progress to this Committee</p>

Refresh the Council's Digital Strategy and ICT Strategy, to be adopted by the Policy and resource Committee during 2024	Initial discovery workshop with team members and development of wider Digital and Customer Service Strategy held on Feb 28th 2024
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In the next Policy and Resource committee meeting dated 6 June 2024 the Policy and Resources Committee Delivery and Improvement Plan 2023/26 was reviewed and refreshed to ensure that actions that continue to be priorities carry forward to the next planning year; actions that have been delivered are closed off and new opportunities, challenges and responsibilities are captured.

Following measures were identified, as part of the refresh, under the modernisation of the council objective:

- Report on the progress against the actions identified in the ICT and Digital strategies.
- Develop a Digital and Customer Service Strategy.
- Carry out a Digital Maturity exercise to benchmark the Council's position against peer authorities.
- Consider options to optimise use of Council buildings.

Based on discussion with the Council we understand that following benefits have been realized/ are expected to accrue as a result of the digital modernisation initiatives:

- Workforce benefits have been achieved in terms of efficiencies in reduced employee time spent on administrative tasks as a result of the roll out of electronic forms, which have also provided ease of access to services to the customer. Recent developments in the Human Resource and Organizational Development service include bank mandate, termination, change of circumstances, personal information, interview outcome and Entry to Service. Sickness notification and certification is currently in the testing phase. Vacancy management is in development and planned for testing.
- A new ICT solution for school meals in secondary schools to better meet customer needs and reduce waste is currently being implemented. Enrolments to school is available online, reducing the amount of time previously spent by employees in handling forms manually. An Education Services Digital Strategy is in place, delivering a more flexible support to teaching. Employees can book occupational health appointments online following the introduction of a new electronic system Figtree, reducing time spent for the employee booking the appointment and those handling the request.
- A MS Office 365 Development Group has been established to develop a strategy for the use of 365 in a collaborative and secure fashion.
- Plans are being progressed for the implementation of a new service desk tool which will replace the current ICT service desk model and will provide a 'one stop shop'. Plans are also in place for an extension of the Freedom of Information system to manage complaints as well as an upgrade to the Customer Relationship Management System which will expand the routes for the public to interact with Council services. The proposed move to greater self-service by members of the public in relation to Council Tax and NDR will result in more efficient processes within Finance and Customer Services.



In addition to above we have inspected the KPI data that was reported as part of the Annual Refresh and Performance Summary 2023/24 which provides a snapshot of latest performance as compared to the prior years. Following KPIs demonstrated improved performance over time which may be linked to the Council's digital modernisation activities:

- Society for Innovation, Technology and Modernisation (SOCITM) accessibility score (Council website) – Score has improved from 87 (good) in March 2021 to 95 (Excellent) in March 2024
- % of Freedom of Information and Environmental Information Regulations requests that were responded to within statutory timescales – Score has improved from 80% in March to 93.9% in 2023.

We recommend that a system of overall assessment of the impacts of the digital modernisation initiatives on the service quality and outcomes, to provide greater insight into the achievement of the intended objectives, should be designed and implemented.

***Recommendation one***

The Employee Health and Wellbeing Survey 2020 and Employee Survey 2022, both sought the views of employees on their experience of hybrid working.

The Council also consults with its Citizens' Panel (1,000 Inverclyde residents) for its views on satisfaction with services (summer 2023 survey). An earlier Panel survey (conducted in 2022) included a dedicated question on digital inclusion, including the preferred methods for contacting the Council and access to the internet.

We have been given to understand that there is continual dialogue with the Unions, in relation to, reaching out to those without PC access.

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# Flexible working and other innovative staff deployment

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**The council promotes remote working as a staff benefit; it needs to demonstrate the impact, of the same, on service performance on a periodic basis.**

During the pandemic councils needed to make the best use of their existing workforce while continuing to monitor employee wellbeing. Councils continue to look to new ways of working to improve job satisfaction and reduce sickness absence and staff turnover.

Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. Some councils are also considering more radical working practice such as a standard four-day working week. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.

*This section of the report considers the following question:*

***How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?***

In May 2023, the Policy and Resources Committee considered and approved the report 'Supporting Employee Recruitment and Retention'. This report highlighted the significant recruitment and retention concerns facing local government at a national and local level and outlined the actions and initiatives currently being progressed to mitigate against these issues and ensure effective delivery of Council services. The Policy and Resources Committee approved proposals on additional work and projects and noted an update report would be presented later in the year.

The update report was presented to the Committee dated 19<sup>th</sup> September 2023. The purpose of this report was to update the Policy and Resources Committee on recent activity to support employee recruitment and retention and seek approval on a number of related proposals.

The report recommended among other items the approval of the revised Flexible Working Policy. As per the report the revised policy merged existing guidance on flexible working, incorporates hybrid working, complies with the Employment Rights Act 1996 and also accounts for pending legislation with regard to the Employment Relations (Flexible Working) Bill.

The update report also provided an update in relation to reduction in the standard working week. As per the report a working group has been established to explore the reduction in the standard working week from 37 to 35 hours and continuing work to clarifying operational and financial implications.

The report notes that it has been considered under the Corporate Equalities Impact Assessment (EqIA) process and the associated assessment has been published on the Council webpage.



The report further notes that the trade unions are supportive of the proposals outlined in the report.

The report along with the revised flexible working policy was approved at the Policy and Resource committee meeting.

This flexible working policy outlines the range of flexible working options that can be requested at Inverclyde Council and how these requests will be considered, taking into account the demands of the service, customer needs, job role requirements and limitations.

The policy applies to all employees of Inverclyde Council regardless of length of service. Employees may submit two requests in a 12-month period. Additional or earlier requests may be considered in exceptional circumstances.

Based on the approved policy Inverclyde Council offers a variety of flexible working options which are outlined below.

Part-Time Working

Job share

Term-Time Working

Compressed Hours

Homeworker

Hybrid Working

Annualised Hours

Shift/Rota Working

Flexible Hours

Flexible and Phased Retirement

The policy lays down the application and approval process as well as the appeal process in relation to the outcomes of the application.

The policy notes the requirement in relation to the consideration of the service impact and requires that the employees and managers should consider the following before requesting or agreeing to a Flexible Working request:

- Customer/client impact;
- Finance/additional costs;
- Statutory responsibilities;
- Size of team;
- Rotas;
- Known problematic absence levels/holiday periods;
- Nature of work being undertaken;
- Management or support responsibilities;
- The need for managers to be at a place of work to effectively manage;
- Attendance patterns of other employees in teams;
- Impact on the individual employee making the request;
- Exigencies of the service; and
- Practicality of working hours.

The policy further ensures the ongoing consideration of the service quality and outcomes by providing a mechanism in relation to ongoing review and monitoring of the agreed arrangements under the policy. Examples of this include:

- Any changes agreed under the scheme will be subject to at least annual review. Managers will consider if arrangements are still a best fit and to determine if any changes are required.
- Trial periods may be agreed in the first instance, and it is important that a decision is made to either agree to the change or revert to previous way of working at the end of the trial period. An example of a reasonable trial period might be 3 months.
- Where there is a large demand or numerous staff wishing to change their hours/working arrangements but not their contractual (paid) hours, it will be acceptable for managers to agree a rota of arrangements, for example if 4 employees request to move to condensed hours, managers may agree a few months each as an operational but not contractual change.

Consultation with staff in relation to flexible working is evidenced through the presentation of the report summarising the results of the Council wide Employee Survey, carried out in September-October 2022, to the Policy and Resource Committee dated 31 January 2023.

The report notes that the employee Survey was launched on the 18 August 2022 and remained open until the 14 October 2022. Every Council employee at the time was given the opportunity to complete the questionnaire. There was a 42% response rate, with 1,737 returns in total of the questionnaire.

An addition to this survey was the section on Hybrid working, given the ongoing pilot taking place at the Council at that time. 37% of respondents identified that they were working as part of the new hybrid working pattern.

The survey results in relation to hybrid working noted that 93% of the respondents agreed that they have adjusted to new working patterns. The survey also captured the respondents' views on whether they will be working on the new hybrid pattern, challenges faced when working a hybrid working pattern and the benefits of working a hybrid working pattern.

We understand that while consideration of impacts and benefits of hybrid working are in-built into the process for approved cases however, we recommend that an overall assessment of the impact of the new arrangements on service quality and outcomes, to provide greater insight into the achievement of the intended outcomes, should be carried out. We further recommend, while in use, that the documentation of the Council's expectations in relation to informal flexible working arrangements.

### ***Recommendation two***

We have inspected evidence of trade union consultation in relation to development of the Hybrid Working Policy.

As part of the 2024/26 Budget, the Council approved a £400,000 net saving to be derived from operating fewer buildings. Part of this is linked to the reduction in the size of the office estate and is over and above the £60,000 saving already generated as part of the first phase of the new ways of working project.

Other examples include the redesign of the school library service, which has resulted in service improvement and delivered savings. Library Assistants are now deployed in schools as part of the overall library service. This was because librarians were becoming increasingly difficult to recruit and there were inefficiencies in running school libraries separate from the central service. Additional Support Needs employees in schools had different remits and job descriptions resulting in inefficiencies in provision. Work was undertaken to review the job description, and the resultant deployment of Additional Support Needs staff also delivered efficiency savings.

In-house training for school technicians has also been developed. This resulted in Inverclyde Council becoming one of the first to achieve Scottish Schools Education Research Centre Accredited status and be approved as a training centre. This has meant that the council has saved 70% in training and associated travel costs.

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# Developing future skills and capacity

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## **The council has plans in place to make good use of apprenticeships and succession planning.**

Councils need to find innovative ways to ensure the workforce capacity and skills they need to deliver services in the future. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

Jobs can be re-designed to optimise the workforce and improve services. For example generic roles across health and social care disciplines. Leaders need to engage with staff and trade unions over fundamental workforce reform. This is particularly challenging in an environment of potential job losses.

*This section of the report considers the following question:*

### ***What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?***

The Council plan 2023-28 identifies three key themes / priority areas across which work is aimed to be performed (People, Place and Performance). The plan further identifies the outcomes that are planned to be achieved under each of the priority areas.

The priority area relevant to workforce is Performance. Outcome relevant to workforce development under this category is “Our employees are supported and developed”.

The achievement of the objectives and aims under the Council plan are supported by three Committee Delivery and Improvement Plans 2023/26 which are as follows:

- Policy and Resource
- Environment and Regeneration
- Education and Communities.

Actions, aimed towards workforce development, identified as part of these committee plans are as follows:

#### **Environment and Regeneration**

##### **Objective**

Processes for workforce / succession planning will be improved and the skills gap arising from an ageing workforce addressed.

## Actions

Identify the future skills gap within the Services, in key areas.  
Develop a training action plan for apprentices / graduates.

As per the update provided to the committee dated 16<sup>th</sup> May 2024, there was a slippage in the above action and the due date was revised from March 2024 to May 2024. This has now been developed i.e. in May 2024 and planned to be presented as an update to the committee in October 2024.

## Policy and Resource

### Objective

The skills required to deliver key corporate initiatives will be supported via the implementation of the final year of the People and Organisational Development (POD) Strategy 2020/23 and development of a new Strategy 2024/26.

### Actions

Implementation of ongoing Action Plan (2023) including:

- Coaching & Mentoring Scheme
- Achievement of Equally Safe Accreditation
- Updated performance appraisal process

In consultation with key stakeholders, identify and develop new initiatives for the POD 2024/26.

As per the update provided to the committee dated 4<sup>th</sup> June 2024, the above actions were fully implemented.

The associated committee development and improvement plan was further refreshed with the following actions, aimed towards workforce development, planned for future periods:

Support the achievement of professional qualifications within the workforce and implement an improved approach to mandatory training courses. (Due date 31 March 2025).

The council plan notes that the Council's People and Organisational Development Strategy, developed under the Policy and Resource committee development and improvement plan, sets out how they will meet the challenges that the Council will face over the short term to ensure that our workforce is positive, motivated and well managed.

The People and Organisational Development Strategy 2024-2027 sets out a number of key workforce and organisational development priorities across the themes of Organisational Development; Employee Skills Development, Leadership, Succession Planning; Employer of Choice and Fairness & Equality.

These themes are supported by an action plan which has been developed to ensure it supports the delivery and achievement of key service priorities and outcomes.

One of the key themes, along with associated aims and actions, identified under the above strategy corresponds to "Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)".

The aims identified under the theme above are as follows:

- Employees are sufficiently trained, qualified and experienced; and
- Our leaders are developed to lead, motivate and inspire to deliver quality services which meet service demands.

Following broad actions are included in the strategy document above to achieve the above aims:

- Developing learning and development programmes;
- Responding to the training needs across the Council;
- Strengthening employee induction, and
- Supporting delivery of service workforce delivery plans.

The above People and Organisational Development Strategy 2024-2027 replace an earlier version of the strategy i.e. 2020-23. A report, “titled People and Organisational Development Strategy 2020-2023 Action Plan 2022/23” was presented to the Policy and Resource committee dated 20 September 2022.

The purpose of the report was to seek agreement from the Policy and Resources Committee on the key actions and initiatives being progressed for 2022/23 to support the Council’s People and Organisational Development Strategy 2020-2023. The key actions, aimed towards “Employee Skills Development, Leadership, Succession Planning”, were as follows:

- Supporting managers with relevant leadership events; and
- Refresh the succession planning process.

As part of an update provided to the committee dated 23 May 2023 the succession planning policy was approved.

Achievement against following initiatives (aimed towards employee recruitment and retention), in relation to 2020-23 strategy, was presented as part of the 2024-27 refresh of the strategy:

<p><b>Undertaking the Workforce Refresh programme to attract new employees into the Council from the local community.</b></p> <p>This approach received recognition in the 2023 Association for Public Service Excellence awards. It resulted in applications from those aged under 30 increasing by 496 and an extra 94 young workers employed within the Council. All of those newly employed through the programme were Inverclyde residents and 20% were previously unemployed.</p>
<p><b>Promotion of employee recognition schemes such as the Pride of Inverclyde Awards</b></p> <p>A successful 2023 event was held to recognise employee achievements, with plans underway for the 2024 awards. It provided an opportunity to showcase the work and dedication of employees.</p>
<p><b>Development of a new approach to performance appraisals</b></p> <p>“Positive Conversations” has been developed and recently launched. Informal feedback to date has been very positive.</p>
<p><b>Development of an internal coaching / mentoring programme for managers</b></p> <p>The mentoring programme was developed and initiated in early 2024 with a wide range of mentors and mentees engaged in the programme.</p>
<p><b>Developing the approach to corporate induction</b></p> <p>A face to face corporate induction session for new employees was piloted for 6 months. Of the 69 attendees 99% agreed that they learned something new about the Council. All participants stated that they understand how their work contributes to the aims of the Council Plan, and they understand what is expected of them as a Council employee and what they can expect of the Council as an employer. The corporate induction session is now being mainstreamed.</p>

Savings and other benefits are reported to the Policy and Resource Committee periodically as part of the finance updates. As per the finance update provided to the committee dated 21 November 2023, following benefits, associated with the workforce measures, were reported:

Area to be reviewed	Saving/Cost Avoidance/ Pressure/ Service Improvement	Position - October 2023
Shared Services with West Dunbartonshire	Cost Avoidance/ Service Improvement	Report due the Joint Committee in autumn 2023 regarding the Internal Audit shared arrangement. Council internal assessment of options completed and preferred option identified by CMT and communicated to employees. Liaison with West Dunbartonshire Council on going to report to Joint Committee and thereafter the December Council
New Ways of Working Office Estate Reduction	Saving	Agreed to continue with hybrid working and a Policy approved by the Policy & Resources Committee in September 2023. Following the Levelling Up Fund award and the impact on the campus, the project focus has moved to making best use of the office space and will be led by the Director, Environment & Regeneration, with meetings being scheduled
Recruitment & Retention Initiatives	Cost avoidance/ Service Improvement	Various initiatives being progressed/investigated including a new Flexible Working Policy, reduction in the standard working week, development of trainees and payment of university fees, employee benefits and a review of professional fees. The updated Flexible Working Policy and new approach to performance appraisals (Positive Conversations) approved at Policy and Resources Committee in September. A Working Group has been considering the potential implications of a reduction in the standard working week from 37 to 35 hours. Employees have been nominated to undertake further professional qualifications to help with "difficult



		to fill” posts funded from a central earmarked reserve. 2023 Leadership course underway to help with retention and potential promotion.
HR & OD Review	Pressure reduction/ Service Improvement	Review focussed on resources/capacity, use of technology, efficiency of processes and user needs/demands. Executive summary reported to August P&R Committee. SMART action plan developed. Actions progressed in relation to efficiencies in the appointment process for new employees, issuing of contracts and upgrading IT systems. Additional permanent Service Manager post in HR+OD part of the Service agreed. A Budget pressure identified and to be progressed via MBWG in October 2023 for additional employee resource.
Review of CLD	Saving/ Service Improvement	Audit of workforce completed. High level aims and direction being developed during October/November 2023

The Council provides a mixture of both in house and external training opportunities, online and in person, delivered by the OD team and external providers where appropriate. In particular, the Council engages with West College Scotland to deliver a variety of courses as well as supporting apprenticeships through their training Education Services are also part of the Glasgow City Region Education Improvement Collaboration, known as the West Partnership, where training, resources, learning and best practice is shared. The enhancement of practitioner knowledge, understanding and confidence is inherently linked to the collaborative working of the West Partnership.

The Council also engages the expertise of other training providers to deliver bespoke training on corporate issues e.g. Clyde & Co (law firm) to deliver training on Equalities, Web Usability has delivered training on website accessibility.

Informal training and learning is also achieved across the Council through professional networks and attendance at Learning Events such as those hosted by the Improvement Service.

The Council approved a refreshed Redeployment Policy in January 2023 to protect the employment security of staff as far as possible. Trades Unions were involved in the consultation of the refreshed Policy.



The process of agreeing the Council budget is subject to rigorous challenge and review and involves both the Members Budget Working Group and a Joint Budget Group, which included Trades Union representation. Savings proposals relating to the loss of FTEs are subject to Trade Unions consultation.

In February 2024, as part of its consideration of the Budget, a range of options to best support employees impacted by budget savings, including approval for temporary enhancements to the Voluntary Severance Scheme were approved by the Council.

Options appraisals are carried out where a Service Review is undertaken and all the options reported to the appropriate Committee.

Equality Impact Assessments are developed for every budget saving proposal to ensure that that due regard is paid to the potential implications, not only for service users but the workforce too, where it is affected.

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# Joint workforce arrangements across services and partners

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**The council has shared some key posts with other councils but has gradually moved away from joint workforce arrangements. The Council is not implementing joint working with other Councils on a significant scale.**

Councils should look to work collaboratively with their partners to make the best use of their existing workforces and plan for the particular workforce needs in their areas. They should also work across traditional service department roles within councils to deliver improved services and outcomes.

Examples of this include generic working across health and social care, professional posts or functions shared between councils, and services delivered through empowered communities.

*This section of the report considers the following question:*

***What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?***

A shared services model Business Case was developed between Inverclyde Council, West Dunbartonshire Council and East Dunbartonshire Council in 2017. East Dunbartonshire did not pursue participation in the shared service and formally withdrew in January 2022.

The business case was refined in 2018 to develop a shared service for Roads and Transportation. A Shared Service Joint Committee was also set up. The Head of Shared Service commenced in 2019 to strategically lead the Roads and Transportation Services, develop strategic business cases for services shared across wider front line services and to implement the management model of a wider shared service.

The Head of Shared Service's remit was expanded to include Waste, Grounds and Fleet Services in October 2019 for West Dunbartonshire Council and April 2020 for Inverclyde Council. A Shared Internal Audit Manager and a Shared Waste and Fleet Manager were appointed in January and April 2020 respectively with an Interim Grounds management model implemented in May 2021. An independent evaluation of Shared Services was jointly commissioned in October 2022 by West Dunbartonshire Council and Inverclyde Council to consider the future of the shared service model. The evaluation highlights a number of strengths, as well as a number of weaknesses in relation to the current arrangement. The recommendation reached in both authorities was to dissolve the roads, waste, fleet, and grounds areas of shared operation.

Inverclyde Council continues to participate in a Shared Services arrangement with West Dunbartonshire Council in respect of the Chief Internal Auditor post in the short to medium term. As noted from above the Council is gradually moving away from joint workforce arrangements with other councils and not implementing joint working on a significant scale. Although these

were based on detailed analysis, we recommend that Council should continue to explore joint working opportunities to make the best use of the available workforces across the sector.

### **Recommendation three**

The Council has partnership arrangements in place and there are examples of service delivery via other providers that complement in house provision, including, Inverclyde Leisure and Riverside Inverclyde. Partnerships were developed during COVID with Inverclyde Leisure, the Beacon, Your Voice and community organisations.

In addition to this, individual Services work with partners across sectors, examples of which include the Inverclyde Community Development Trust (employability / training & education); provision of homecare services via the third sector; Service Level Agreements with community organisations, community work / consultation supported by Your Voice Inverclyde and CVS Inverclyde; Action for Children deliver wellbeing services to Inverclyde school children; a Debt Recovery Partner is appointed for the recovery of Council Tax and NDR; provision of Occupational Health support for employees and Financial Fitness provide specialist support to clients.

Working partnerships with the third sector support the delivery of strategies, e.g. Attainment Challenge, The Promise and Whole Family Wellbeing. Inverclyde Leisure support the delivery of the Wellbeing Strategy and attend the Active Inverclyde Strategic Group. Food Growing Strategies promote strong working relationships with communities and third sector. The previous Inverclyde Children's Services Plan was fully aligned to the third sector providers Best Start in Life. Work is underway to align the current Children's Services Plan to their third sector interface. The Trauma Informed Strategic Group includes members of the third sector as well as the Police. This has resulted in the ability to share expertise as well as develop a consistency in practice. The Community Safety Hub is a hub involving the Council and partners to address anti-social behaviour and provide early intervention to stop matters escalating. The Hub avoids duplication of effort across partners.

External consultants have been appointed to carry out specific pieces of work where additional expertise is required, such as development of new Local Development Plan, Local Housing Strategy and Equalities training.

As at 31 March 24 the Council had 3,291 Permanent Employees and 1,203 Temporary Employees. This is a 73% / 27% split. Temporary roles often relate to the nature of the funding supporting. Additionally, number of modern apprentices as at 31 March 2024 were reported to be 71.

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# Measuring the impact of workforce planning

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## **The council actively monitors progress with its workforce strategy and plans.**

Councils should monitor the impact of their workforce planning and delivery approaches. This should include cost, service quality and productivity benefits as well as employee wellbeing. This in-turn should inform their workforce planning approach. Councils and their partners should also understand the wider impact of their employment practice on the local economy.

*This section of the report considers the following question:*

### ***How effectively is the council measuring the impact of its workforce planning approach?***

The Council reports on a range of workforce KPIs that enable key stakeholders to form a judgement on the effectiveness of its workforce planning arrangements.

Workforce and service impact related KPIs included in the annual performance report are as follows:

#### **MEASURE**

The percentage of Citizens' Panel respondents that agree that the Council is responsive to customer needs

The percentage of Citizens' Panel respondents that are satisfied with Council services

The percentage of the Council's accommodation that is suitable for its current use

Percentage of transactions dealt with through the Council's Customer Service Centre portal that are digital

The gross cost of benefits administration per case

The percentage of benefits processing that was accurate.

The percentage of pest control service requests attended within 5 working days

The percentage of consumer complaints completed within 14 days.

Indicator	Target 2022/23
The percentage of employees that are satisfied in their job (Employee Survey)*	75%
The percentage of employees that understand how their work contributes to the Council's aims (Employee Survey) *	75%
The percentage of employees that agree they feel motivated to do the best job that they can (Employee Survey) *	75%
The percentage of employees that agree that Inverclyde Council is a caring and supportive employer (Employee Survey)*	75%
The gender pay gap	Reduce %
The percentage of the highest paid 5% of employees who are women	Maintain %
The overall sickness absence rate	9 days
The number of abandoned calls made to the Customer Service Centre <ul style="list-style-type: none"> <li>• revenues and benefits</li> <li>• other council services</li> </ul>	26% 10%
The percentage of employee appraisals completed in the year and individual development plans agreed	90%

As per the Annual performance report 2022/23 8 out of 10 targets were reported as achieved.

LGBF reporting included as part of the annual performance report provides further insight into the service impacts of the workforce planning. Workforce specific indicators included in the LGBF are reported to the CMT and the Policy and Resource Committee on a periodic basis. Examples of workforce specific indicators included in the LGBF reporting are as follows:

- Sickness absence days (teacher)
- Sickness absence days (non-teacher)
- % of highest paid 5% of employees who are women
- Gender pay gap.

Additionally reporting against the committee development and improvement plans as well as related KPIs are presented to the relevant committees on a periodic basis which includes the workforce related actions and associated KPIs.

Furthermore, the Employee Survey results are also reported to the Policy and Resources Committee.

Periodic reporting is also presented to the Policy and Resource Committee in relation to People and Organizational Development Strategy. As part of the paper, presented to the Policy and Resource Committee, for approval of the People and Organizational Development Strategy 2024-27, an update was also presented to the committee in relation to progress made with respect to actions and priorities within the People and Organisational Development Strategy 2020- 2023.

A report was presented to the Policy and Resource committee, dated 6 February 2024. The purpose of this report was to advise the Policy and Resources Committee of key workforce information and activity for the year 1 April 2022 to 31 March 2023. This report that this information has been provided to the Corporate Management Team in recent years to support

workforce planning and has been submitted to the Policy and Resources Committee the past three years to provide members with a useful overview of workforce activity and analysis.

The Workforce Information and Activity Report is designed to be informative and to encourage participation in organisational development and workforce planning activity. The content includes key information on attendance, performance and workforce demographics.

The People and Organizational Development Strategy 2024-27 document specifies the delivery and monitoring mechanism in relation to the desired objectives which includes the description of statistical reports, frequency of reporting of these reports and the authorities to which the same are reported. Details of this is included in response to Q1 of this document.

In 2023, Inverclyde Council won a national (UK wide) APSE award for Best Workforce Initiative in 2023 for its Workforce Refresh programme.

National LGBF benchmarking data shows that since 2018/19, the Council has almost halved its gender pay gap.

The Employee Survey 2022 has provided the Council with a measure of employee satisfaction. The latest Survey included questions to help assess impact, including recent developments, including hybrid working (93% of respondents replied that they had adjusted well to the new work pattern, 53% said that it had given them a better work/life balance). The results from the survey were considered at a dedicated improvement planning workshop and a Workforce Improvement Plan developed as a result, which is reported to the CMT on a six monthly basis. Amongst the improvements that can be evidenced include the introduction of face inductions, flexible working policy and review of performance appraisals.

Efficiencies and savings that are achieved as a result of new ways of working is included in the annual Delivering Differently update report to the Policy & Resources Committee. Details of the same are included in response to Q4 of this report.

# Appendix 1

## Improvement Action plan

Issue/risk	Recommendation	Agreed management action/timing/responsible individual
<p>1. We understand that a system of overall assessment of the impacts of the digital modernisation initiatives should be developed.</p> <p><b>Risk:</b> There is a risk in relation to inability to identify any negative consequences on the service quality and outcomes.</p>	<p>We recommend that a system of overall assessment of the impacts (cost, time and quality) of the digital modernisation initiatives should be designed and implemented.</p>	
<p>2. We understand that while consideration of impacts of hybrid working are in-built into the process for approved cases however an overall assessment of the impact of the flexible working arrangements on service quality and outcomes needs to be carried out.</p> <p><b>Risk:</b> There is a risk in relation to inability to identify any negative consequences of the flexible working arrangements on the service quality and outcomes.</p>	<p>We recommend that an overall assessment of the impact of the new flexible arrangements on service quality and outcomes, to provide greater insight into the achievement of the intended objectives, should be carried out. We further recommend, while in use, the documentation of the Council's expectations in relation to informal flexible working arrangements.</p>	
<p>3. The Council is gradually moving away from joint workforce arrangements with other councils and not implementing joint working on a significant scale.</p> <p><b>Risk:</b> There is a risk in relation to inability to make the best use of the existing workforces and to efficiently plan for the particular workforce needs in the areas.</p>	<p>We recommend that Council should continue to explore joint working opportunities to make the best use of the available workforces across the sector.</p>	