



MERTHYR TYDFIL
County Borough Council
Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL

MERTHYR TYDFIL COUNTY BOROUGH COUNCIL

Strategic Workforce Plan 2014-17

DRAFT

Merthyr Tydfil County Borough Council's VISION

To strengthen Merthyr Tydfil's position as the regional centre for the Heads of the Valleys, and be a place to be proud of where:

- People learn and develop skills to fulfil their ambitions
- People live, work, have a safe, healthy and fulfilled life
- People visit, enjoy and return

Merthyr Tydfil...A place to be proud of

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1. Introduction

Merthyr Tydfil County Borough Council has been subject to significant challenge in the last few years, from austerity measures to challenging needs of a growing and changing community. All Local Authorities are going through a time where the delivery of services needs to be re-aligned so that the reduction in budgets do not affect the quality and outcomes for the community.

Merthyr Tydfil in particular has a further challenge of delivering services in a deprived area that has high demands for its social services.

Many of the employees of the Council also live within the local community, and are therefore affected by the economic and social circumstances. It is important for the Council to succeed in its endeavour to continue to deliver quality services, respond to the social needs of the community and support economic growth.

This Strategic Workforce Plan has been created to support the outcomes in ensuring that the workforce is able to continue to deliver the services. Its main purpose is to assist the Council in aligning employee numbers and skills to the needs of the community, whilst retaining good budget management, as stated within the corporate outcome priorities.

2. The Challenge

The Chief Executive has identified three key aspirations defining success in **2017**, which are helping to underpin the framing of future decisions about the shape of the local authority and the nature of the workforce. These are:

- **Being in the top quartile across all local authorities in Wales**
- **Being sustainable as an organisation**
- **Being seen as the organisation responsible for improving Merthyr Tydfil and in particular in terms of generating economic growth for the area and enabling people in Merthyr Tydfil to improve their potential for success**

The Leader of the Council has set a challenge for Members and Officers of the Council: **“Let’s put Merthyr Tydfil in the best position for the future”**. The Chief Executive has responded to this by posing the questions, **“What does success look like for the Council in three years?”** (2017).

In addition, the Wales Audit Office, as part of a Corporate Assessment, have set a challenge for the Chief Executive in answering the following question;

“Is the authority capable of delivering its priorities and improved outcomes for citizens?”

To identify this, the Assessment focuses on:

- **Performance and Outcomes** “is the authority making progress on achieving its planned improvements in performance and outcomes?”
- **Vision and strategic direction** “does the authority's vision and strategic direction support improvement?”
- **Governance and accountability** “do the authority's governance and accountability arrangements support robust and effective decision making?”
- **Use of resources** “is the authority managing its resources effectively to deliver its improvements in performance and outcomes?”
- **Collaboration and partnership** “are the authority's collaboration and partnership arrangements working effectively to deliver improved performance and outcomes?”
- **Managing Improvements** “is the authority effectively managing its improvement programme?”

The Council is able to demonstrate many strengths in relation to this, such as an improved challenge process, improved outcomes for young people, a shared vision, newly developed values and behaviours to engender better accountability, effective reporting, robust consultation and engagement, a staff forum, a Transformation Programme to oversee the changes corporately, four year financial plan, asset management plan, ICT strategy, and effective partnership working.

The Council is working towards better outcomes in regards to individual performance process, workforce planning links to finances and assets, stronger leadership visibility, improved budget holder accountability, creation of a leadership programme, and improved Results Based Accountability report cards.

The challenge now for the leadership and employees of the Council is to consider and respond proactively to these aspirations against a backdrop of increasing national scrutiny, welfare reform and significantly reducing resources. By 2017 the overall workforce would have reduced, including our management tier, and there will be focus on delivering services that are value for money. We will have stopped delivering some services, and found alternative means of delivering others.

Employees will have the necessary skills to deliver the wider range of functions, they will be accountable for their performance, and will have a suitably flexible working pattern with work life balance. The environment will have high expectations of employees, and will encourage innovative ideas and challenge each other in a respectful and positive way.

The Council's performance is increasing (NSI's). Merthyr Tydfil County Borough Council has been placed 9th in Wales for 2013/14, where in 2012/13 it was placed 19th overall. This sets the Council in a strong position to continue its improvement.

3. Corporate Vision and Priorities

Vision for Merthyr Tydfil

To strengthen Merthyr Tydfil's position as the regional centre for the Heads of the Valleys, and to be a place to be proud of where:

- People learn and develop skills to fulfil their ambitions
- People live, work, have a safe, healthy and fulfilled life
- People visit, enjoy and return

Our priority Outcome in the Single Integrated Plan 2013/17

- People in Merthyr Tydfil have the opportunity and aspiration to learn and develop their skills to maximise their potential
- People in Merthyr Tydfil benefit from a strong, sustainable and diverse economy
- People, who live and work in Merthyr Tydfil are supported to enjoy a healthier and better quality of life
- People enjoy a vibrant, attractive, safe and sustainable place in which to live, work, play and visit

This is supported by an underpinning priority 'Learning for Life'.

Our Priority areas in the Corporate Plan 2013/17 (Top priorities)

- Raising standards of attainment
- Employability
- Economic Development
- Active Lifestyles
- Promoting Independence
- Meeting the needs of vulnerable children
- Sustainable development

OUR SHARED VISION FOR MERTHYR TYDFIL

"LETS PUT MERTHYR TYDFIL IN THE BEST POSITION FOR THE FUTURE"

VISION

**To strengthen Merthyr Tydfil's position as the regional centre for the Heads of the Valleys, and be a place to be proud of where:
 People learn and develop skills to fulfil their ambitions,
 People live, work, have a safe, healthy and fulfilled life,
 People visit, enjoy and return**

| *POLITICAL PERSPECTIVE | **SINGLE INTEGRATED PLAN | ***CORPORATE PLAN | | | |
|--|--|--|--|--|--|
| | PRIORITY OUTCOMES | | | | |
| | People in Merthyr Tydfil have the opportunity and aspiration to learn and develop their skills to maximise their potential. | People in Merthyr Tydfil benefit from a strong, sustainable and diverse economy. | People who live and work in Merthyr Tydfil are supported to enjoy and healthier and better quality of life | People enjoy a vibrant, attractive, safe and sustainable environment in which to live, work, play and visit. | Underpinning Priority: Learning for Life |
| | SINGLE INTEGRATED PLAN PRIORITY AREAS | CORPORATE PLAN PRIORITY AREAS | | | |
| Learning for life. To improve educational attainment and break the culture of dependency and the cycle of poverty to allow Merthyr Tydfil to grow and prosper. | Attainment & Skills - Children, young people and adults in Merthyr Tydfil reach their academic potential and have the necessary skills to contribute as responsible citizens to their own development and that of the wider community. Employability - Working age people in Merthyr Tydfil, particularly those in low income families gain, and progress within, employment Participation – Children, young people, their parents and carers in Merthyr Tydfil are empowered to participate fully in influencing decision making relating to the services they receive and all aspects of their lives – Having a voice, having a choice. | Raising Standards of Attainment Employability – Children and young people in Merthyr Tydfil to reach their academic potential, and have the necessary skills to contribute as responsible citizens to their own development and that of the wider community. Employability – We want to support adults and young people (ages 16 and over) to develop their skills for work and both gain and sustain employment. | | | |
| Social and Economic Regeneration. | Business Development and Economic Development – | Economic Development – A growing and sustainable | | | |

| | | |
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| <p>By creating jobs and encouraging new employers to come to Merthyr Tydfil, whilst retaining existing jobs and helping current employers.</p> | <p>A growing and sustainable economy for Merthyr Tydfil, delivering a diverse range of quality job opportunities.</p> | <p>economy for Merthyr Tydfil, delivering a diverse range of quality job opportunities.</p> |
| <p>Social Care (Adults and Children). Providing services for vulnerable people is a key function of the local authority. The local authority has public accountability and should be the focus for the provision of these services.</p> | <p>Healthy Lifestyles – Smoking To reduce the harm from smoking in Merthyr Tydfil Healthy Lifestyles – Obesity and Physical Activity People in Merthyr Tydfil are active and maintain a healthy weight Healthy Lifestyles – Sexual Health People in Merthyr Tydfil have good sexual health, a good knowledge of sexual health and relationship behaviour, and are fully aware of the potential outcomes of risky behaviours. Mental Health & Emotional Wellbeing - Children, young people and adults in Merthyr Tydfil enjoy good mental health and wellbeing Promoting Independence - People in Merthyr Tydfil are able to lead independent and fulfilled lives. Meeting the Needs of Vulnerable Children - Children and young people in need of support receive services to meet their needs</p> | <p>Active Lifestyles – People in Merthyr Tydfil to be physically active and as a result have improved health. Promoting Independence – People in Merthyr Tydfil will be able to lead independent and fulfilled lives. Meeting the needs of Vulnerable Children – Vulnerable children in Merthyr Tydfil to live healthy, safe and fulfilled lives</p> |

| | | |
|---|--|--|
| <p>Social and Economic Regeneration. Providing a fit for purpose and sustainable physical environment. Merthyr must be a vibrant and attractive place with first class infrastructure in order to attract people.</p> | <p>Safer Communities - People living in and visiting Merthyr Tydfil are safe and feel safe in our local communities.</p> <p>Domestic Abuse & Sexual Violence - Fewer households within Merthyr Tydfil are affected by domestic abuse and sexual violence</p> <p>Substance Misuse - A community where the harm caused by the misuse of drugs and alcoholism minimised</p> <p>Offender Management - People in Merthyr Tydfil are protected from the actions of repeat offenders</p> <p>Community Cohesion - A community where people live alongside each other with mutual understanding and respect, where everyone values differences</p> <p>Housing - A community where residents live in good quality, suitable and affordable housing</p> <p>Safeguarding Vulnerable People - Greater public awareness of the need to protect vulnerable adults and children from harm</p> | <p>Sustainable Environment - – People in Merthyr Tydfil will live in communities that are sustainable, clean and energy efficient</p> |
|---|--|--|

*The political priorities presented by the Leader of the Council.

**The Single Integrated Plan (SIP) focuses on the priorities we deliver in partnership. The Council is one of many partners with responsibilities of delivering shared outcomes. The Council's Corporate Plan is something the Council has direct influence over. There is however some overlap across the two plans.

***The Corporate Plan is the Council's key strategic document focussing on its priorities for the next 4 years. The priorities should remain the same over this period however the focus of this priorities may change to respond to need. Whilst all Services are not visible in the priorities set out in the corporate Plan, ALL services have an indirect Influence/responsibility to ensure that the priority areas and subsequently the priority outcomes are delivered.

4. Merthyr Tydfil County Borough

Between the 2001 and 2011 census, the population of Merthyr Tydfil grew by 4.6% (an increase of 2,593 people) to 58,802. There were 24,300 households, an increase of 4.5% since 2001. Despite the fact that Merthyr Tydfil has the highest pregnancy rate for 15-17 year old in England and Wales, it also has an ageing population.

The percentage of those living in Merthyr Tydfil that are aged 65 or over is 16.7% (741 people). The population of those aged between 45-64 is 26.8% (15,800).

Merthyr Tydfil has a minority population of 5.4% (3,167). Poles, Portuguese, Indians and Chinese make up most of minority groups, with a smaller minority of Pakistanis, Bengalis, Hungarians, and Filipinos. The gender split of all residents is 49% male, 51% female.

The County is ranked the most deprived local authority area in Wales. The unemployment rate is currently 11.4% (Wales average 8.3%). 70.5% of residents are economically active, leaving 29.5% of the population economically inactive.

Merthyr Tydfil town sits at the base of the Brecon Beacons, and is part of the Heads of the Valley region. It is approximately 25 miles from Cardiff, situated at the A470 making it easy to access Cardiff and the Brecon Beacons in Mid Wales. There has been a great deal of regeneration in the area in recent years, with a large retail park, outdoor facilities, for walking, cycling and climbing, and has historical buildings such as Cyfarthfa Castle.

5. The Workforce

The Council is a compact local authority, the smallest in Wales. It has a workforce of just over 2,200 employees (including school based staff but excluding teachers). Since January 2014, as part of a Transformational Efficiencies Programme, the numbers of employees has reduced by over 100, and because of the budget reductions, the need to reduce continues.

The median salary is £16,775, with 87.2% of the workforce earning less than £30,000 per annum (12.1% earn above that, with 4 employees earning above £70,000). The current National Minimum Wage is £6.31, and the Living Wage for the UK is £7.65. The lowest hourly rate currently in place within the Council is £6.53 which is above the minimum wage but below the living wage. 111 employees are currently on a rate below the living wage, the majority being part time females (85 employees). Any changes made to the pay structure as part of the efficiencies agenda will need to be managed in light of this group.

Chart 1- Ages of employees as at 31 March 2014

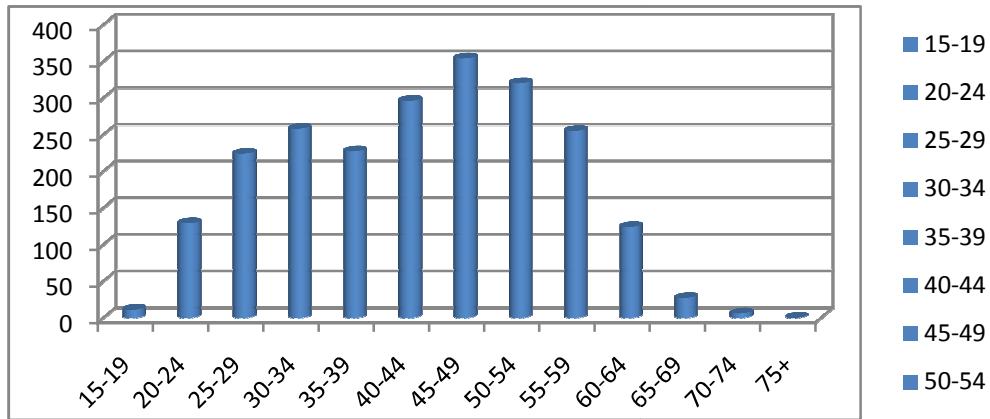


Chart 1 shows that the majority of employees are between 45-49 years of age. To ensure that we are replacing skills that are leaving, the Council needs to invest in developing the younger workforce, of which there are enough in numbers to plan as future managers. The main issue to be addressed is retention issues of younger employees.

Chart 2 – Leavers by Age

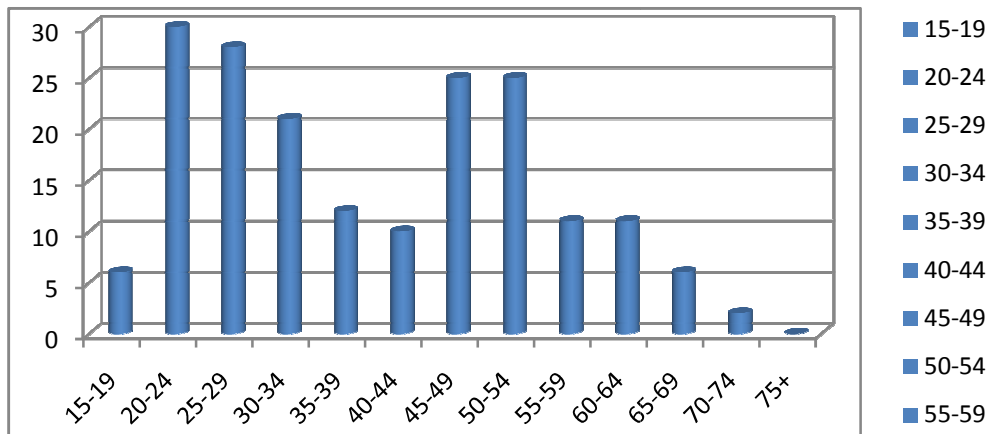


Chart 2 denotes the ages of leavers from the Council. The turnover rate for the Council is currently 3.5%. There is a range of age groups that have left the Council over the last year, with the highest groups being the 20-24 and the 45-55 age groups. It is critical that the Council tries to retain these groups, especially following skills development, or if this is not possible, the Council plans for transferring the skills prior to the employees leaving. For the Council to successfully develop succession plans and plug skills gaps it needs to have an effective retention strategy to retain these groups. This isn't a simple process, but nevertheless, investment in skills development is critical to the long term sustainability of the Council.

As at 31 March 2014, 217 employees left the Council, the majority due to fixed term contracts ending. This is equivalent to 48.1 full time equivalents. The contract hours in the majority of these leavers were low, which has reduced the impact on the skills attrition resulting in a significant gap. Nevertheless, with the continued need to reduce jobs further, the impact on skills attrition will increase, creating a higher likelihood that the skills being lost will be significant.

38% of the Council's leavers had been in continuous employment for more than 5 years, with 45.5% having had two years or less. This is partly attributable to the ending of fixed term contracts to manage the efficiencies agenda.

Up until the end of June 2014, 104 employees have left their current jobs as part of the Efficiencies Agenda. This is through various means, and includes voluntary early retirement, voluntary redundancy, compulsory redundancy, and redeployment. The total saved as part of the Efficiencies Agenda is £3,273,027 (as at July 2014). Continued work will take place to reduce the budget deficit further as part of long term financial planning.

There is currently a 0.6% vacancy rate. The low vacancy rate is due to many long term and non-essential vacancies being deleted for budget savings. Those that remain are essential jobs to the Council and are in the main retained within the redeployment pool for employees 'at risk' of redundancy. A small proportion are recruited via the wider internal employee group, or externally due to specialist skills not being available within the redeployment pool. This is however becoming less frequent as the risk of compulsory redundancy of employees is increased.

Chart 3- Part timers by gender

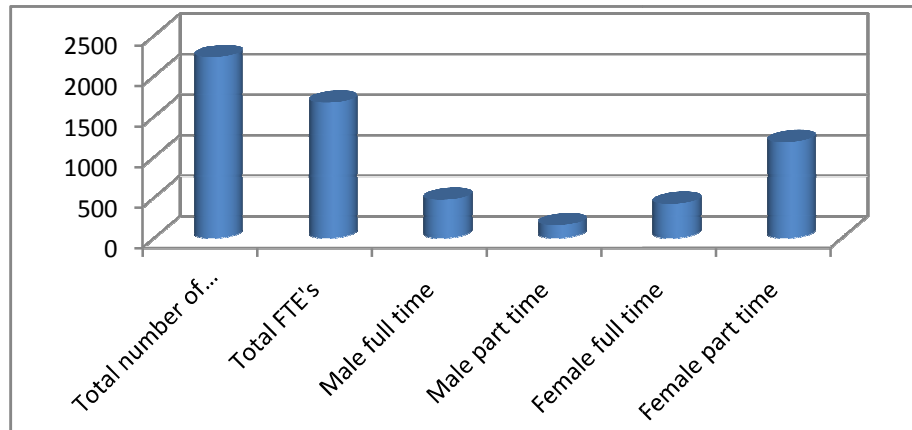


Chart 3 identifies that there is a high proportion of female part timers. Many of these are in non-professional jobs (e.g. cleaners, school dining room assistants, clerical work). The challenge for the Council is to enable this group, often women with young families, to play an active role in the workplace through flexible policies and contracts and increased opportunity for development.

For 2013-14, there were 12,525 full time equivalent days lost to sickness. 4,658.3 (37%) were short term, and 7,866.8 (63%) were long term. In comparison to other local authorities the sickness levels in the Council are low.

There is a dependency on agency labour to operate some services areas, which makes up 6% of the workforce. 84% of agency labour is retained longer than ten weeks.

6. Union negotiation and consultation

The recognised unions are Unison, GMB and Unite. For schools they are NASUWT, ~~XXXXX~~.

The Council has a Joint Negotiating and Consultative Committee in place, plus formal union meetings on a weekly basis since the beginning of the efficiencies programme. There are links between the recognised trade unions, Human Resources and Finance as part of the Transformation Programme and union consultation programme.

As part of the consultation programme with trade unions, terms and conditions of employment are being discussed. This includes a spot salary grading structure, reduced SCP's per grade, and reducing the working week from 37 hours to 36 hours.

7. The Council's Culture and workforce expectations

The Council's Chief Executive and Leader has aspirations to be a high performing council, and to do that the culture of the workforce and leadership has to match the aspirations. The Values and Behaviours have been developed recently to define these expectations in all employees (Appendix A).

Following a staff survey that stated that there was a lack of confidence in poor performance being addressed correctly, the individual performance of employees has been further developed through the creation of the One to Ones and annual appraisals. These create stronger links to the corporate priorities and individual accountability.

The staff survey also stated that there was a lack of confidence in leadership, and that internal politics often got in the way of decision making. Recognition that there is a need for leadership development and to include more traineeships within the workforce is a valuable step forward to be an organisation that invests and values the skills within the workforce. This will be developed over the coming months to support the changing workforce.

Each and every employee has to be able to demonstrate that they are operating in a service that is value for money and is essential to the successful delivery of the service priorities. The Council has an obligation to support each employee in achieving this aim, although each employee has to also work to the highest performance level needed.

8. Links between Workforce Planning, Medium Term Financial Planning, and Asset Management Planning

The Council's activities are driven by community needs, which are defined in the Single Integrated Plan, Corporate Plan and Strategic Plans. To support priorities, the Medium Term Financial Plan sets out the annual budget setting and monitors the Council's spend. The Medium Term Financial Plan for 2014/15 to 2017/18 identifies the budget reduction required over the next few years as

- 2015/16 - £3.618 million
- 2016/17 -£4.153 million
- 2017/18 - £4.092 million

In February 2014 Council approved the revenue budget for the Council, which was set at £114,102 million for 2014/15. The Medium Term Financial Plan identifies that by 2017/18 the Council will have a deficit (difference between budget required and actual budget available) of over £10 million. The National Employers are consulting on a 2.20% pay award, and the indicative settlement for 2015/16 is minus 2.6%. This has driven the need to create a Transformational Change programme to assist in delivering the changes needed to

close the deficit gap. The Human Resources Service is active within this programme to support the Council in undertaking redundancies, redeployment, re-structuring services, consultation and skills gap identification.

The Asset Management Plan plays a part in reviewing the property portfolio to help deliver the savings and respond to changes in the Council's building needs, as well as support the Corporate priorities for physical builds. When the workforce changes in numbers or design, as highlighted in the workforce plans, the Asset Management Plan can respond to this by reviewing the portfolio of Council property needed for the future. This in turn can be reflected in savings or priorities achieved within the Medium Term Financial Plan.

As part of this process, managers also review their accommodation needs and the potential to provide for mobile or flexible working practices. This exercise informs the Medium Term Financial Plan and also provides data which informs the Office Accommodation Strategy and provides for continuous review of the office accommodation requirements. There is a formal workforce review built into the Asset Management work stream to regularly capture workforce issues.

Each Head of Service is responsible for delivering Corporate priorities as defined in their Service and Operational Plans. These plans assist in measuring the effectiveness of outcomes.

In turn, to ensure that the workforce capability and understanding is in place to deliver the Council's priorities, annual reviews/ appraisals and regular one to one meetings support each employee to perform at the highest level.

9. The Role of Human Resources in delivering the Workforce Planning

To support the Council in sustaining its services at the agreed level, the Human Resource Service needs to be efficient and robust. It must be able to continuously assess the needs of the Council and be able to respond quickly in its support of this change. This means the HR Service needs to continuously self- evaluate and scrutinise itself, ensure there are flexible employment contracts, interchangeable teams with transferable skills, and robust data to tell the story of the workforce position. Without HR demonstrating value for money and being corporate priority outcome focused, there is a danger of not being aware of or responding to a critical activity at the right time.

HR needs to:

- Support the Transformational Change programme in developing and facilitating a redundancy consultation programme, including communicating and consulting with the unions and the workforce and giving employment and HR advice;
- Support the organisation's business in change management;
- Consult on changing terms and conditions, assess equality issues and pay and grading impact;
- Create fair and easy to use people policies to enable the business to develop and change according to the Corporate outcomes;
- Evaluate jobs fairly and consistently;

- Assist managers in identifying and developing employee skills;
- Develop individual performance management tools;
- Administer and collate data reports for managers to use for performance management purposes;
- Create and issue employment contracts as instructed by policy and procedure;
- Support managers in using all HR policies, updating the policies to ensure they are fit for purpose;
- Assist and support in health and safety matters, mitigate and assess risks;
- Advise on occupational health matters so that employees are not away from the workplace any longer than is necessary. Where return is unlikely, facilitate options for the employee to move on from the employ of the Council;
- Lead on HR aspects of projects, collaborating with others;
- Assist managers in restructuring and planning for the future employment needs;
- Reduce the litigation risks of the Council by continuously evaluating the Council's needs, risks and giving timely and accurate advice
- Work with the Equalities and Welsh language Officer to ensure equalities and Welsh language issues are addressed and in compliance

10. Workforce data assessment

This data is collected from the workforce planning questionnaires, Senior Leadership Group, Culture workshops, staff forums, and employee satisfaction surveys, and is used to develop the Action Plan.

As is stated within the Corporate Plan for 2014-15, in recognition of the continued financial pressures, the Council is developing its budget process and Medium Term Financial Planning (MTFP) to ensure effective alignment of financial resources with corporate priorities.

The Council operates a number of high risk and statutory functions (e.g. social care, CCTV and Lifeline) where reduced budgets hold a significant risk. The Council also relies on grant funded services, which increases the complexity in managing the service. The Corporate priorities include areas such as Employability and Economic Development that are often dependent on grant funds to deliver the services. Grant funding is a complex area and besides the need to bid for grants, the renewal or receiving of monies from bodies such as Welsh Government falls within an external time frame that does not always coincide with the Council's needs. This leads to uncertainty for staff and for service users.

To ensure the Council's Services are able to deliver its priorities, many services are having to re-structure to increase resilience. The potential for delivery objectives and increasing value for money service delivery will be compromised if these restructures are not undertaken.

The Council's use of agency labour, plus varied temporary and casual contacts has an impact on stability and risk management for delivering the Corporate priorities. Although these contracts have been seen as giving more flexibility to the service, it does conversely mean that the retention and stability of the skilled workforce is undermined. This is because these 'temporary' and 'casual' workers are often required on a long term basis.

Without the employees to deliver the service, the corporate priorities would not be achieved. It is therefore important to keep the workforce motivated, healthy and engaged. During times of austerity, it should not be forgotten that investment in the workforce is as important as service delivery. Sustained service delivery is only possible with skilled and able employees.

Culturally the Council is on a journey, where it needs to define its strategic direction more clearly, have better communication to employees so they are clear on their priorities, stronger individual performance management so employees have clear roles and responsibilities, robust and honest self-evaluation, and a meaningful set of values and behaviours that employees are expected to follow. It is particularly important for Corporate Management Team (CMT) and Senior Leadership Group (SLG) to 'lead by example' and adhere to these. The Human Resource Service needs to do the same and demonstrate its commitment to supporting a culturally professional and mature organisation. CMT, SLG and Human Resources have a high level of influence on the wider employee group, it is therefore critical that any deviation from these cultural rules are corrected quickly. Without this, the Council will fall back into its previous cultural norm and may not then deliver its outcomes.

Underpinning this is the development of collaborative working across the Council. Historically each area tended to work independently, with separate priority outcomes and objectives. This often created duplication of effort, and more importantly activity in one area causing a negative impact on another. This cannot continue and so the Council has been working towards a centrally controlled budget programme that is able to identify commonality, risks and impact across the whole Council activity (Transformation Board and Steering Group).

To achieve a more coherent work programme, it is also important to work better with external partners. Many parts of the Council have strong working relationships with external bodies and employers, which is defined within the Single Integrated Plan (SIP). This allows economies of scale and broader knowledge resilience to be tapped into.

Skills and Capability

The Corporate priorities, in relation to financial management, not only puts pressure on Finance and Accounts sections, but all managers responsible for budget management. It is critical that the managers and finance teams have skills and capability to develop effective financial management using Value for Money tools.

In addition to the reduced budgets, there have been significant changes in legislation. This has caused a dichotomy between investment of employees and budget available. Managers are now juggling reduced budgets with an increased pressure to change the way the service is delivered (e.g. Benefits, Housing and Community Safety, Neighbourhood services). The skills required to do this are not demonstrated across the Council. Social Services and Social Regeneration will use evidence based impact tools as well as value for money tools. There is an opportunity to adapt this approach across the Council to develop the skills consistently.

In some areas (e.g. Youth Service), service managers skill their employees with the knowledge that they may lose the skills through redundancy/end of fixed term contract or through employees obtaining permanent jobs elsewhere. Although the employees benefit from the skills development for future job opportunities, the Council would gain more return on investment if these employees were retained and given a stable employment contract.

Leadership needs to be strong and focused over the next few years, as the change is far more significant than it has been before. Leadership development within corporate and education (schools) areas is an urgent matter. The Senior Leadership Group were set a task to identify key skills development for the Council. The results of this included developing skills in:

- Aspirational Leadership and effective communication

Change management

Project management

People skills (including difficult conversations and those associated with making changes that impact negatively on the workforce)

Budget and financial management (value for money being critical)

Using data more effectively to self-evaluate and plan better

In addition to leadership development, operational management skills are being lost through the voluntary early retirement that is currently in place to manage the budget reductions. We need to ensure that the remaining managers and any new managers have effective people skills. People management skills have been identified as relevant to the current leadership team, and those at first line management level.

Social Services have a robust system run by the Training and Development team who sources and supports courses and qualifications targeting the needs of social care sector in Merthyr Tydfil. This is in the main grant funded, which if removed would significantly increase the risk for the Council and sector partners. The Council also has a Service Level Agreement with Rhondda Cynon Taf CBC, and

Caerphilly CBC to access low cost courses. Many other managers will access specific training for their staff for the professional areas they work in. There isn't however a Corporate view of training that is undertaken. The social care sector training is monitored by the Care Council for Wales and Welsh Government, which ensures robust accountability. Other training is not monitored so well. Since training budgets have been depleted, this has made it more difficult for managers to access suitable training to retain a level of capability in their employees, and respond to the difficult situations that they encounter.

As the Council shrinks, more pressure is placed on managing services with less managers. The Council has traditionally, due to the compact size, been one that recognises managers need to be both people managers and technical officers. Where other Council's may be able to separate these out into distinct jobs, Merthyr Tydfil CBC has not been able to do so. More people to manage and a wider and diverse service responsibility is reducing time to work on strategic issues. This is a pressure point that will need to be addressed through additional development and time management. Any re-structure will also need to consider the span of control that each manager is able to hold.

There is also evidence that professional skills are being eroded through employees not completing professional qualifications in their areas (e.g. Finance, HR, Housing). In addition, other than in social care, Continued Professional Development (CPD) has been affected by constant changes to professional services via legislation or delivery plans, time to complete with work demands, and also funding in some cases. In time, this will likely have a knock on effect to succession planning and service standards.

The current financial climate has however created opportunities, such as services that are utilising transferable skills that are broad enough to work in more than one functional area. The Neighbourhood Services restructure (ASD) now has jobs that allow employees to work in more than one area of work that can respond to demands without relying on agency workers and overtime. In addition to this, it is becoming more and more critical that the Council is able to assist the community in using its services, especially those that are more vulnerable and have difficulties in reading, writing, and communicating. Some areas, such as Social Services and Libraries need to have employees who recognise the needs and are able to support the vulnerable groups effectively.

To prepare for these new ways of working the Council has to consider how it can ensure sustained development of its employees. However, the Council has not had a centrally controlled training and development service for some years. This needs to be revisited with a view to strengthening the opportunities being explored.

Individual Performance Management

Managing issues with capability and holding employees accountable for performance were significant issues that came out of meetings with the Senior Leadership Group and Staff Forum, and also via the employee satisfaction survey. It was considered that capability matters were not being addressed, and were de-motivating the workforce. Suggestions to address this included improving confidence of

managers to approach employees with poor performance, setting up consistent and regular one to ones and appraisals, and ensuring the capability and individual performance policy is being effective.

A new one to one and appraisal system has been developed to replace a system that was not consistently applied. There is evidence that many services are now setting up regular meetings. Those areas not familiar with holding structured meetings would also benefit from training. The objectives of this is to ensure messages are clear and accurate, and employees are clear about their work expectations.

The new individual performance appraisals are complimented with the Senior Leadership Group completing Performance Statements that hold each leader accountable for the delivery of priorities. These are then shared with others in the team to create a distinct link between each level of management and employee within the Council.

There are a number of services (e.g. social care, highways, social regeneration) that already have robust and structured one to one meetings and appraisals. Some of the Council's services (e.g. Waste, Benefits, Property, School Improvement) have been involved in the pilot scheme of the new one to one and appraisal process, and the parts of the Council that do not yet have a structured process would benefit from having shared information on ensuring effective people management.

Although the one to ones have been welcomed, it was expressed by managers that the pressures of work demands affect the opportunity to meet staff on a regular basis. The one to one procedure requires managers to find the time to meet staff every 4-6 weeks. It is critical that employees are given regular feedback and updates so this issue of time management will need to be reviewed to ensure that the Council is engaging with its employees effectively. This is especially so in the current climate where changes are constant. Developing people skills, as noted under 'Skills and Capability', will also increase confidence in managers when undertaking one to one meetings.

Cultural barriers are also preventing effective one to ones, as there is evidence that some managers currently view one to one meetings with staff as punitive, and use them only when performance is poor. Team meetings take place to share information with some informal or ad hoc individual meetings. This could result in lower morale, lack of clarity in work tasks, misinterpretation of communications and information and the manager missing an opportunity to give support. To address this it is important to offer training to managers on the positive impact frequent meetings will create.

It should however be mentioned that the workforce, due to its diversity of services, cannot operate within a 'one size fits all' type of appraisal and one to one system. Manual workers have often been a group that is difficult to dove tail into the parts of the Council that are professional and administrative. These services operate in such a way that having regular one to ones may not be as valuable as they are with other employees, plus the structures are often very flat and broad, making time for such meetings difficult. Shift patterns

and remote working also cause problems for these areas. To address this, group meetings and less frequent one to ones may be a solution.

Business Continuity

On the whole, those who have nominated to take Voluntary Early Retirement over the next couple of years have been included in a plan to transfer the skills and re-structure so the skills gap does not impact on the service delivery. However, if not all services ensure that they spend time doing this, with the pace of change, there is a danger that skills will be lost more quickly than they can be replaced.

A number of restructures have or are in the process of taking place (e.g. Accountancy, Youth Service) which alongside professional development will increase the capability of the team. This will also assist to resolve the over reliance on key officers or single points of dependency (SPOD's), as can be demonstrated within the Corporate Spine employee group that aims to centralise and broaden the pool of employees who can support administrative functions.

There are service areas that have such low capacity already, the issue of single points of dependency (SPOD's) cannot be overcome (e.g. Legal, Performance Management and Risk). Due to the professional skills required in some of these areas, it will be difficult to replace any leavers with another employee who has the same level of knowledge. Regular discussions on case management, and occasional external support is used to manage this.

Areas such as CCTV/Lifeline are critical functions that operate over 24 hours seven days and week. The employee pressures here will be reviewed in light of other business support functions being integrated. Where skills sets are of a similar level and relatively easy to share, this is a useful way to increase capacity and skills.

Managers need to consider not only the skills that the current employee group has, but what would occur if any of the employees were to leave. Many managers have an instinctive and informal plan to cater for this, with formal plans not always in place. Nevertheless some services have put in place more robust plans, such as ensuring procedures are consistent, employees can cover higher level work as well as peers, and officers can deputise to manage business continuity (e.g. ICT). Others are using a skills matrix to ensure the skills are distributed across more employees, and use coaching and mentoring.

A good example of skills gap analysis is in social care, where there is a programme of seconded employees who are trained as social workers. This ensure a new cohort of newly qualified social workers is available over rolling programme.

Ultimately more formal and corporate succession planning is needed. Many managers are concerned that succession planning will develop unequal opportunity. There is a need for balance between specifying individuals as having potential for advancement and a fair

and transparent system. This can be done through adapting a broader skills development programme that ensures that there is a choice of candidates who are capable of moving up to the next level, or even across to another service.

Business continuity is also dependent on being able to recruit to vacancies and move the relevant skills to where the demand is highest. The restriction of new candidates to vacancies because of the redundancy policy is a risk that needs to be managed better. Some managers find the process long and onerous in replacing vacancies, with the selection of skills reduced through the limited choice of candidates (only those that are 'at risk' of redundancy are eligible for applying).

In addition, where skills are not available, the vacancy is often filled by an agency worker until a suitable employee is identified. This then exacerbates the use of agency workers for relatively long periods of time, creating more instability within the workforce.

Grant funding rules also create a dichotomy with our policies where agency costs cannot be recouped, and where competitive recruitment is essential. Areas of the Council that operate under these rules are finding it particularly difficult to satisfy the grant rules currently.

It is clear then that there is a balance required between responding to legal obligations to redeploy rather than make redundant an employee, and the redeployee being suitably skilled to take on the new role. The danger is the service areas will have a high number of either temporary or low skilled and inexperienced workers that require significant development over time. In addition, for grant funded areas, when there is a need to recruit to contracts that have less than a year to run, the choice of candidates is limited (e.g. Communities First).

It is also recognised by managers that employing new employees who have worked for other organisations bring in fresh skills and new ways of working, and supports partnership working. The redundancy programme has reduced the opportunities of this form of recruitment. Therefore we have to maximise the skills development of our current workforce to ensure that the skills levels are not depleted below acceptable levels. Where external advertising is possible, salaries are not always matched with market averages, leaving attraction and retention efforts lacking.

There is an interest in developing traineeships and apprentices within the workforce, something that the Council has not had the opportunity to create for some time. The need to replace the skills of employees that will leave the Council in the next few years, and the need to fill the skills gaps has meant that apprentices are becoming more attractive as a means to support business continuity. Services such as Neighbourhood Services (ASD e.g. Street Scene, Parks, Highways) are likely to benefit greatly from this approach. The NEETs agenda is also being supported through this by working with Social Regeneration and learning providers in creating some opportunities for this group to be able to apply for trainee jobs.

Collaborative working has been used in various forms for many years (from full shared services to the simpler approach of SLA's). This, alongside outsourcing, continues to be considered to reduce pressure points in services from low budgets or low employee numbers.

Service Delivery

Very few services have 'peaks and troughs' throughout the year at present due to the change programme being an integral part of each service. This constant demand requires the management of absences and capacity flux to become an increasingly higher priority for people managers. Some services are increasingly becoming less traditional about the days and hours they need to operate to meet service user needs. Currently the Council has a default position of traditional working hours. The current Pay Policy Statement 2014, Green Book T&C's and financial restrictions create a juggling act in addressing this.

There is a danger that the historical use of employment contracts will create liabilities going forward. Social care in particular has a need to use flexibility as the demands fluctuate frequently. However, employment contracts are very rarely flexible enough to cater for this demand. A review of all employment contracts would be beneficial to ensure they are still fit for purpose for service delivery.

The way the Council delivers its services will change radically over the next few years. This is evident in many services which are looking to deliver customer needs electronically, or via shared services and through Service Level Agreements with neighbouring authorities. There are a number of services undertaking transfer of staff to create alternative ways of delivering services (outsourcing, for instance, the Leisure Trust). Technology is key to the success of this.

Social services (e.g. Older Persons Day Services) are exploring opportunities of working with volunteers as a means to address the capacity issues. This will also support Corporate priorities such as the NEET's agenda, to support work experience.

Grant funded areas are under immense pressure to manage statutory requirements (e.g. Social Regeneration and social services need funding to support the Wellbeing Act) regardless of the reduced budgets. Increased legislative requirements continue to make it difficult for managers to maintain a high standard of delivery with the employee numbers available, especially when the next few years requires further employee reductions. There are also safeguarding risks that will need to be explored.

As is noted above, agency labour has been used by some services to retain flexibility in the workforce (mostly in social care, and manual front line services). When pressures are increased, there is a danger of the reliance becoming semi-permanent, which will impact on budget management and sustainable succession planning. Historically, this was created to reduce the employee costs as agency workers are often cheaper and can be easily replaced by the agency. Such reliance on non-core employees has left a service that is no longer fit for purpose. However the cost of employees is often higher than using agency workers, and so the budget deficit is preventing services from increasing core capability (e.g. Highways, Waste, Property and Estates).

The balance between using 'workers' and 'employees' is difficult for most employers, as the employment legislation can cause a dichotomy for service delivery. Employees create stability, but the use of the employee may not match the requirements if used infrequently or as an independent advisor and instead creates a higher liability. There is no easy answer to this problem, other than scrutiny of contracts and employment status for non standard workers.

Budget Management

It is not surprising that the reduction in budgets is having a significant impact on the Council. Often to deliver each service requires more budget than is allocated. A decision around delivering the best service or an adequate service is required- Value for Money. The uncertainty of Welsh Government funding values means that the financial planning needs to respond quickly to budget adjustments.

As part of the budget balancing process, it needs to consider the statutory costs that have to be funded, and any supporting costs for additional statutory training, service user needs and new legislation that places statutory responsibilities on the Council. Where these costs are secured, the savings then need to be met elsewhere, which then reduces the level of service for non-statutory but important services. Consultation with recognised trade unions are on-going to identify how changes in terms and conditions can be used to create some of the savings. The Medium Term Financial Plan stated a political will to implement a pay freeze, which by 2017/18 would create a saving of £1,200,000. However, at present alternative options are being explored, such as a single point pay grades and reduced working hours.

Job evaluation still remains in place, and with the changes taking place within many services, this is an unpredictable financial aspect that requires review. The Council is obliged to have in place a fair and transparent pay and grading structure, but must also ensure that it does not exceed financial affordability. This includes assessing how any terms and conditions and job evaluation measures will affect those working below the living wage. To address this, there is an exercise to review jobs across the Council to assess if the responsibility levels have not decreased with the decrease in employee numbers. This could create a saving as well as ensure that the job evaluation of the jobs are accurate and fair.

A small number of services are still using overtime to support the service delivery (e.g. Environmental Health). This is often linked to income generation where additional grant money can be obtained through taking on additional duties. The income that is obtained is usually higher than the cost of the overtime. These additionally funded tasks also assist in increasing the performance indicators for the service. If the Council can identify a way to support these initiatives without impacting on the financial regulations and efficiencies agenda, the services in question would be able to sustain their performance levels.

11. Action Plan

| Action | Success Measure | Workforce Plan Themes | Milestone/Evaluation date |
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| People & Workforce Plan Development and Monitoring | | | |
| Continue to deliver and refine the Strategic Workforce Plan to create stronger links between the financial, asset, and outcome priorities for the Council | Changes to resources and services are being managed so that the workforce plan helps to provide the necessary skills and capacity to deliver high quality services. | Corporate Priorities and Outcomes | March 2015 |
| Corporate Succession Planning and Business Continuity Plan | All key posts have a plan attached to develop employee skills which will mitigate skills gaps in a time of rapid change | Business Continuity Skills and Capability | April 2015 |
| Development of a People Communication Plan for HR to better communicate key workforce messages to stakeholders including staff, Members, Unions, partners and the wider public | Increased understanding by stakeholders through more effective communication and heightened awareness of the role of HR in helping to manage workforce change. | Corporate Priority Outcomes | December 2014 |
| People Development | | | |
| Develop a Leadership and Management Programme | Programme in place with increased confidence from managers in delivering change | Skills and Capability Corporate Priorities and Outcomes Budget Management | March 2015 |
| Create a Corporate Induction Programme to communicate the Council's vision, values, priority outcomes, and expectations. | All employees (current and new starters) have undertaken the Programme | Corporate Priorities and Outcomes | September 2015 |
| Implementation of the One to One and appraisal process across the Council | More effective individual reflection and evaluation/links re corporate and service priorities/knowledge of progress Regular meetings | Individual Performance Management Service Delivery | April 2015 |

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| | are taking place with written notes in all areas of the Council | | |
| Create one to one and appraisal training, including difficult conversations and effective communication | Confidence from managers in communicating with employees so that issues are addressed quickly and effectively and as much as possible in a supportive manner. Each employees receives honest and objective comments about their individual performance. | Individual Performance Management Skills and Capability | March 2015 |
| Development of an apprenticeship and trainee framework | Services able to include apprenticeship posts to support succession planning | Business Continuity Skills and Capability | March 2015 |
| Support the development of the Values and Behaviours into the culture change of the Council | Appraisal evidence shows relevant behaviours, staff survey results show changes to culture to support values and behaviours expected | Corporate Priority Outcomes Individual Performance Management | December 2015 |
| Systems and Processes | | | |
| Create robust and meaningful management information about the workforce | Managers can identify issues and trends within their service and use the information to help self-evaluation and future planning. | Service Delivery | June 2015 |
| Undertake a yearly employee survey to assess satisfaction and organisational motivation | Enables year on year analysis of the impact of change and improvement , issues to be addressed and where there are poor levels of staff satisfaction | Corporate Priorities and Outcomes | September 2015 |
| Review all people related policies (including but not exhaustive) <ul style="list-style-type: none"> • Grievance • Disciplinary • Capability • Sickness • Recruitment • Job Evaluation | Policies are easy to use, are clear, and support the change programme | Corporate Priorities and Outcomes Service Delivery Skills and Capability | February 2015 |

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| <ul style="list-style-type: none"> • Pay Policy Statement • Agency workers • Code of Conduct • Whistleblowing • Redundancy and Redeployment | | | |
| Transformational Change | | | |
| Council services reduce the dependency on agency workers | Services have less agency workers who are covering long term posts | Business Continuity Service Delivery | December 2015 |
| Council services in reduce the dependency on overtime | Services areas have alternative means of delivering the service with less need for regular overtime | Business Continuity Budget Management | December 2015 |
| Managers and the Transformational Programme Board build in workforce considerations as an essential part of delivering successful projects | Changes are undertaken with minimal liability and impact on people related issues | Corporate Priority Outcomes Service Delivery Budget Management | December 2015 |

Appendix A- Values and Associated Behaviours

| Values and Associated Behaviours | | |
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| Value | Description In Appraisal Statement | Descriptors Identified By Staff Forum |
| Honesty & Openness | Staff have been treated equally and fairly and engaged in influencing decisions especially those that directly affect them. Staff are supported to confirm their strengths and weaknesses in terms of performance and are helped to address areas for development. Staff feel comfortable about expressing their views but know that inappropriate behaviours and poor performance will be addressed. | <ol style="list-style-type: none"> 1. Staff know that they are working in an environment where they are being treated equally and fairly and that inappropriate behaviours are addressed 2. Staff feel able to express a view about policies and procedures without fear of recrimination. 3. Staff are provided with an honest appraisal of their strengths, weaknesses and areas for development 4. Expectations of staff are in proportion to their respective job role and where performance falls short of these expectations, staff will know this will be addressed firmly but in a positive manner 5. Staff know that recruitment processes will be open and transparent 6. Where changes are proposed, these are appropriately consulted on especially with staff directly affected |
| Trust & Respect | Staff have been treated with trust and respect so that each is empowered to carry out their job role within a supportive accountability framework. Staff show loyalty and commitment but where trust is abused this will be addressed. Staff show mutual respect for other staff | <ol style="list-style-type: none"> 1. Staff know that they are working in an environment where they are valued and trusted 2. Staff feel that the goodwill, loyalty and commitment each shows are recognised 3. Staff feel empowered to deliver their job role within a supportive accountability framework and have flexibility to deliver this within the agreed policies and procedures 4. Staff know that where trust is abused that this will be addressed |
| Accountability | Staff are held accountable for their performance within a defined but mutually supportive performance appraisal and meeting framework. Staff follow policies and procedures and know that non-compliance will be addressed. Staff are aware of the Council's overarching priorities | <ol style="list-style-type: none"> 1. Staff show a professional attitude to other staff and customers at all times 2. Staff work within a Council Constitution which requires compliance with agreed standing orders, policies, procedures and decisions 3. Staff are aware of the Council's overarching purpose and priorities 4. Through negotiation with the manager/supervisor, staff are set clearly defined performance objectives, milestones and criteria for success through an annual performance appraisal system 5. Managers and supervisors meet regularly and appropriately with staff to ensure an ongoing dialogue about progress and future areas for development |

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| Learning | The development and training needs of staff are identified as part of the performance appraisal and meeting framework. New staff have an induction process and an appropriate training and development programme is available to meet the agreed needs of individuals within the organisation. Staff are encouraged to share practice and to learn from others. | <ol style="list-style-type: none"> 1. Staff know that they are working in an environment where they will be able to learn and develop skills to be effective in delivering their job role 2. New staff are made aware of the running of the authority by way of an induction package which reinforces the values and the importance of a professional attitude in every aspect of their work 3. Effective practice and ideas are shared within and across teams and departments which helps others' improve their efficiency and effectiveness |
| Aspiration | Staff feel proud to work for the Council and have very high aspirations for themselves, for their teams and for the wider Council. Staff are actively encouraged to be proactive in identifying innovative ways to improve outcomes and provide effective and efficient services. Staff know that they should address challenges and not let potential barriers prevent them from having high aspirations | <ol style="list-style-type: none"> 1. Staff know they are working in an environment where they are encouraged to have high aspirations and to set themselves challenges in order to overcome barriers to progress 2. Staff feel proud to work for the Council in Merthyr Tydfil 3. Staff are encouraged to be proactive so that each is thinking and planning forward, learning lessons from previous experiences, innovative ideas are developed and risks & issues are anticipated and managed. 4. Staff strive to continuously improve their personal performance and also that of the Council. 5. Programmes and projects are developed which help deliver improved outcomes and services and provide good value for money |
| Team Working | Staff understand the policies and priorities of the Council and actively support and promote these through their job role. Staff know that each works in a specific team but is also part of a wider cross-Council team and supports the corporate requirements. Staff and teams actively share ideas and practice with other teams and unlock barriers to meeting the desired outcomes. Staff take collective and shared responsibility for decisions | <ol style="list-style-type: none"> 1. Staff know that they are working in an environment which requires everyone to work individually and collectively to provide joined-up services internally with other staff and teams and externally for customers 2. Staff, teams, departments and directorates present a united and common front for the wider public 3. Where corporate programmes and projects are required, the sponsor/senior responsible officer ensures that barriers to effective cross-departmental/directorate working are unblocked and resources provided as appropriate. 4. Staff are actively encouraged to share ideas, working practices and news within and across teams, departments and directorates and to find ways for more efficient and effective working. |

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| <p style="text-align: center;">Communication</p> | <p>Staff communicate effectively with others and all staff feel they have an appropriate level of information to carry out their job role and make appropriate changes. Staff ensure that they access the information that is provided across the Council and respond as required. Team meetings are used to provide consistent communication between managers and staff.</p> | <ol style="list-style-type: none"> 1. Staff know that they are working in an environment where proposed changes and future requirements which affect them are accurately reported, and this approach is consistently applied across the Council 2. Staff know that they are being kept well informed on a timely basis about a range of activities and high profile programmes & projects across the Council 3. A variety of means are being used to communicate with staff including road-shows, face to face meetings, the intranet, newsletters and briefings on specific issues 4. Team meetings are used regularly to share key issues and to enable staff to be briefed especially where they do not have access to the internet |
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