

## **FULL COUNCIL REPORT**

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Service Area	Human Resources
Exempt/Non Exempt	Non Exempt
Committee Date	27 June 2018

*To: Mayor, Ladies and Gentlemen*

# **Organisational Development & Workforce Planning**

## **1.0 SUMMARY OF THE REPORT**

- 1.1 Merthyr Tydfil County Borough Council is a leading employer of choice in the region and across Wales. Like many local authorities, the Council has experienced over ten years of continuous financial savings, which has an impact on staffing within the authority. This has had an impact on agency and overtime costs.
- 1.2 The Council was the only authority to commission a stress survey. It highlighted the three main 'stressors' as being Demands, Management Support, and Change Management. The 'Focus on my Performance scheme', which was recently approved by Council will help to mitigate these concerns.
- 1.3 The first Management Academy undertaken by Merthyr Tydfil Council ended in June. The Council made an investment in developing management with new skills to equip them to work within a changing external environment which is more Volatile, Uncertain, Complex and Ambiguous.
- 1.4 Recent Workforce Planning data reveals that almost half of our workforce are aged 50 or above. As a result it is likely that these staff will leave during the next 10 to 15 years. The retention of staff is high and labour turnover is low. As a result, there have been reduced opportunities for new staff to join the authority over the last ten years.
- 1.5 Whilst the Council is restricted in offering permanent employment, it is currently considering other alternative 'entry points' in addition to the establishment including apprenticeship, graduate, shadowing, and job trial and secondment methods. All of which will help to raise our external employer profile as one of choice. The Council is also keen to build employability skills in its Looked After Children.
- 1.6 The Council was also successful in acquiring a Public Service Graduate, who will assist in gathering best practice across public sector organisations within the Cwm Taf region.

- 1.7 Our new holistic approach to Organisational Development and Workforce Planning will
- \* help to retain knowledge and experience
  - \* develop internal and external talent pools, particularly for staff groups that in demand and are in small supply (i.e. Social Care, Engineering)
  - \* Will target and reduce the need for agency and overtime spend
  - \* Assist the authority in creating tomorrow's workforce, today through developing a talent bureau
  - \* Will allow the council to proactively equip managers and staff with new skills, managing change in uncertain times.

## 2.0 RECOMMENDATION(S) that

The Organisation Development Strategy and Workforce Plan is approved.

## 3.0 INTRODUCTION AND BACKGROUND

- 3.1 Merthyr Tydfil County Borough Council is a leading employer of choice in the region and across Wales. Of all Local Authorities, it has a small workforce and yet is required to meet the same expectations as other authorities on a reduced proportion of funding.
- 3.2 Like many local authorities, the Council has experienced over ten years of continuous financial and efficiency savings. This has had a direct impact on staffing within the authority. Fixed Staffing Costs (permanent staff) has decreased over a period of ten years. At the same time, Peripheral Staffing costs (*overtime and agency*) have increased. Council will recall that a report was approved to install the Pertemps Agency Workers System (PAWS) which will establish corporate control to the use of agency spend.
- 3.3 As a result of the external Volatile, Uncertain, Complex and Ambiguous (VUCA) environment, all managers and staff across all organisations are required to work in new and different ways. The remit of managers and staff is now becoming broader than they ever were before with increased spans of control. As Human Resources are decreasing, there is a requirement to be able to share resources across teams and departments. Whilst it is important that Job Descriptions are specific, there is now an increased need to be agile and flexible.
- 3.4 With over ten years of continuous financial savings, the financial challenge for Merthyr Tydfil CBC and Local Government generally is not over yet. *Like many other local authorities, it* is still required to identify further savings. With the reduction of churn and staff joining the authority over the last ten years, there are in some areas 50% of staff likely to leave the authority over the next ten years. With this in mind, it is important to develop internal and external supplies of staff. This can be achieved through new Entry Opportunities, including Apprenticeship, Graduate, Secondment, Job Trial, Internship and Shadowing opportunities. We are also keen to identify and offer additional opportunities to Looked After Children within the county borough.

3.5 Unfortunately, continuous financial reviews are still required following ten years of proposals. This is naturally having an impact. This is not only having an impact not only financially, but also operationally as well. Both managers and staff are now required to work in different and unique ways. This requires teams and departments to work in a more agile way, together as 'one MTCBC team'.

## **4. ACTION UNDERTAKEN TO DATE**

### **4.1 Management Academy**

In addition, the first Management Academy undertaken by Merthyr Tydfil council ended in June. An evaluation exercise is underway with views to undertake similar schemes and activities in the future. The Council is keen to reinforce the new skills acquired through the introduction of a management competency framework which will help them to consolidate their learning, and to pass their expertise to new cohorts of the programme including first line managers. Essentially the learning has demonstrated that management need to think differently, particularly in relation to achieving financial savings and exploiting new commercial opportunities.

### **4.2 Stress Survey**

The stress survey in 2017 highlighted the three main 'stressors' as being Demands, Management Control, and Change Management. The report has helped to establish a baseline across departments. The Council is currently updating the survey with a view to running a second survey in the Summer.

### **4.3 Focus on My Performance**

The 'Focus on my Performance scheme', which was recently approved by Council will help to mitigate the 'stressors' as advised in 4.2, and will help us to identify short and long term aspirations for staff.

### **4.4 Workforce Planning**

Recent Workforce Planning data reveals that almost half of our workforce are aged 50 or above. As a result it is likely that these staff will leave during the next 10 to 15 years. Labour Turnover remains low. This together with the recruitment moratorium has had an effect on the numbers of people joining the authority. As a result, work needs to be taken to build internal and external talent pools to help the Council plan for the future and to retain its knowledge capacity.

### **4.5 Building Flexibility and agility through new Entry Points**

Whilst the Council is restricted in offering permanent employment, it is currently considering other alternative '*entry points*' in addition to the establishment, including apprenticeship, graduate, shadowing, job trial and secondment methods. All of which will help to raise our external employer profile as one of choice. The Council is also keen to build employability skills in its Looked After Children.

### **4.6 Cwm Taf SPB Partnership**

Working in collaboration with Rhondda Cynon Taf and colleagues within South Wales Fire and Rescue, the collaboration successfully placed a bid for a graduate to work across the three host organisations to identify and share best practice.

## **5.0 PROPOSALS**

### **5.1 Talent Bank**

The Council is keen to identify new opportunities for commercial return, looking to develop a talent bank that is able to respond to peaks and troughs in demand. This will help to save current levels of cost, whilst also having the potential to bring in commercial returns, including annual 15% agency reductions on current usage levels.

### **5.2 Workforce Planning**

The Council currently employs 836 staff aged over 50, and is likely to lose up to 45% of the workforce over the next 10-15 years. The Council is keen to work with all departments using a suite of HR Data Metrics and external demographic information to identify and to mitigate potential skills deficiencies at an early stage across all service areas.

### **5.3 Investors in People**

Merthyr Tydfil Council is an Employer of Choice. It has an open style of management and has supported the county borough in attracting new business and investment. The Investors in People framework will allow us to measure our returns in people investment and development, particularly during difficult financial times and will allow us to tailor our approach specifically.

### **5.4 Building Internal Labour Pools – Growing our own staff through Succession Planning**

Everyone has potential, and it is important to be able to support the aspirations of all of our staff. We are keen to grow our internal staff pools through coaching, shadowing, mentoring, secondments and action learning sets. The '*Focus on my Performance*' scheme and a new Skills Audit will help to identify levels of potential and talent across the council.

### **5.5 Building External Labour Pools - Development of Entry Points**

The Council is keen to develop more formal approaches in relation to work placements, job trials, internship programmes, graduate opportunities and secondments to help promote working within Local Government and Merthyr Tydfil more specifically.

### **5.6 Apprenticeship Programme**

Merthyr Tydfil will be launching an Apprenticeship Programme in September 2018 in development with Rhondda Cynon Taf Council. At the same time, other exciting opportunities are under consideration to maximise our contribution to the Apprenticeship Levy.

### **5.7 Supporting a flexible and agile workforce**

The project will consider ways of developing 'One Council', with a view to potentially sharing resources across departments. This will not only help to reduce financial expenditure, but fundamentally, it will also allow staff to network with other colleagues. It will also allow more opportunities for staff to obtain experience working in different teams.

## 5.8 Employee Engagement

With Change Management being identified as an issue, the Council is keen to do more, particularly around employee engagement, focus groups, surveys, newsletters and a revised forum. This will help to support levels of morale and motivation during times of organisational change.

## 6.0 FINANCIAL IMPLICATION(S)

6.1 The proposals will help to reduce levels of agency usage and overtime within the authority. The costs are currently £2,317,690.69.

## 7.0 EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

**GARETH CHAPMAN**  
**CHIEF EXECUTIVE**

**COUNCILLOR ANDREW BARRY**  
**CABINET MEMBER FOR GOVERNANCE**  
**& CORPORATE SERVICES**

<b>BACKGROUND PAPERS</b>		
<b>Title of Document(s)</b>	<b>Document(s) Date</b>	<b>Document Location</b>
<b>Does the report contain any issue that may impact the Council's Constitution?</b>		<b>No</b>

***Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.***



***Draft Organisational Development Strategy  
V1***

## **Our aspiration is to be an Employer of Choice for people in Merthyr**

### **1. Organisational Development and Workforce Planning in an ever-changing (growing) environment**

HR PRINCIPLE: We define and deliver the resource requirements to meet our Focus on the Future Plan. To deliver the right shape of workforce we will:

- a) Keep the organisational structure 'fresh' and fit for purpose through ongoing continuous improvement ;
- b) Engage and communicate multi-site so that people understand and add/reinforce new thinking ;
- c) Identify and manage risk around critical roles to address retention and succession issues, manage organisational growth and make best use of key resources ;
- d) Embed Workforce Planning - Have clarity about skills and expertise needed, and at what time in order to deliver departmental / corporate business goals. Review and update workforce planning forecasts in line with business deliverables and budget.

### **2. Recruit, Induct and Embed**

HR PRINCIPLE: We get the right people at the right time engaged and performing at high levels quickly. To secure the right talent and help new staff to perform early, we will:

- a) Build a clear and realistic employer brand and employee proposition ;
- b) Deliver adaptability and flexibility in sourcing to meet resource requirements: blending external recruitment, internal moves and promotions, secondments, outsourcing, consultancy, placements, secondments ;
- c) Recruit for behaviour and cultural fit as well as technical skills ;
- d) Establish an effective induction for each new joiner, using orientation, performance management and probation processes to drive early performance;
- e) Monitor the way we recruit, induct and embed people to make sure that we are delivering for the business ;
- f) Source in an open and inclusive way, making sure that our offer reaches people from all community groups.

### **3. Embedding our Vision and Values**

HR PRINCIPLE: Our vision and the values we stand for guide the way we work and help us to build effective leadership to drive successful delivery of the organisation's objectives. To make our vision and values meaningful to the work of each person at Merthyr Tydfil, we will:

- a) Agree a core vision and values, shared across Merthyr Tydfil council;
- b) Supplement overall Merthyr Tydfil values, with venue specific values and/or behavioural descriptors if necessary;
- c) Bring our vision and values to life so that they are reflected in the work we do each day;
- d) Measure how well we live our values so that people are accountable for their behaviour at work and we use this information to drive actions.

#### **4. Equality and Inclusion**

HR PRINCIPLE: We value each person's contribution and will create a workforce from a broad base, including under represented groups. To create an inclusive organisation where equality and inclusion underpins our work, we will:

- a) Create an environment where every employee's contribution is valued and where discrimination and bullying are not tolerated;
- b) Promote equality and inclusion in our work, employment practices, training and through our suppliers and partner organisations, providing consistent examples of good practice for local government ;
- c) Deliver attraction and sourcing strategies that are inclusive, helping us to secure talented people from a diverse base;
- d) Create organisational structures that enable us to connect with people living within a local radius, so that the community owns, and feels proud,
- e) Enable all employees to enhance their employability through their work with Merthyr Tydfil
- f) Deliver and exceed our statutory equalities duties

#### **5. Wellbeing and Engagement**

HR PRINCIPLE: We create and sustain high levels of employee engagement, motivation and commitment

To create a working environment where our people are resilient and engaged, we will:

- a) Be clear about what we expect from each person and how their contribution delivers our vision
- b) Create effective communication channels where a high value is placed on face to face contact and dialogue with people wherever possible
- c) Build reliable and trusted communication channels through the line management structure
- d) Create an open environment for people to share their views
- e) Create a 'healthy' and high performing working environment that supports all employees. This means that managers and their teams need to work together to anticipate / identify support that might be needed to help people through pressure points, including work/life balance options

#### **6. Cross Organisational Collaboration, Team Effectiveness and Decision Making**

HR PRINCIPLE: We create highly effective organisational structures, and make sure that teams and cross-organisational (one team) working is in place

To create a strong team ethos and effective cross-organisational working, we will:

- a) Drive results through team and help our people in cross departmental teams
- b) Build and maintain strong line manager – employee relationships
- c) Create and sustain effective collaborative working across all authorities and departments
- d) Create effective working relationships and decision making processes with all partner organisations, such as Welsh Government, WLGA, NHS, Police, Fire and Rescue, etc.
- e) Help our suppliers integrate and work effectively without teams
- f) Help teams learn so that they deliver consistently high performance
- g) Create a culture of organisational learning and sharing so that there is an organisational memory and clear audit trail



## **7. Learning and Development**

HR PRINCIPLE: We build the capabilities in our people needed to deliver the programme of work

To ensure that investment in learning and development is effective, we will:

- a) Recognise that a lot of learning will be acquired 'on the job'
- b) Complete development reviews as part of the planning and performance management processes
- c) Focus training and development on those areas of critical organisational impact
- d) Deliver training and development in a time-efficient way through a combination of off and on the job learning, coaching and mentoring
- e) Ensure individuals have opportunities to develop and learn throughout

## **8. Creating and sustaining a High Performance culture**

HR PRINCIPLE: We will create a high performance environment where people are clear about that is expected of them, receive regular feedback on how they are doing and where poor performance is addressed. To help our people perform, individually and in teams, we will:

- a) Set performance expectations for each person, aligned with business vision and goals, so that individuals are empowered and have clarity on roles and deliverables
- b) Review individual performance regularly so that expectations are kept fresh and issues, which may impact performance, are surfaced. All employees hold regular objective-focused discussions with their immediate manager, and more formal documented performance reviews in line with the process
- c) Focus performance discussions on both "WHAT" needs to be done, and "HOW" tasks will be achieved
- d) Build manager capability to hold effective time efficient coaching conversations with their direct reports
- e) Address poor or under performance swiftly and decisively
- f) Create an environment that recognises and rewards high performance