

To: Audit and Governance Committee
Date: 08 April 2024
Report of: Executive Director for Corporate Resources
Title of Report: Workforce Sustainability Progress Report

| Summary and recommendations | |
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| Purpose of report: | To provide a comprehensive update on the actions in place to improve the sustainability of the workforce |
| Key decision: | No |
| Cabinet Member: | Councillor Nigel Chapman, Citizen Focused Services and Council Companies |
| Corporate Priority: | Well Run Council |
| Policy Framework: | None |

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| Recommendation(s): That the Audit and Governance Committee resolves to: |
| 1. Note the positive progress being made to improve the workforce sustainability of the Council as set out in the report. |

| Appendices | |
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| Appendix 1 | Risk Register |

Introduction and background

1. A formal review of corporate risks has been undertaken by the Corporate Management Team and Service Heads. Workforce sustainability has been identified as a significant risk for the Council. This report sets out the issues that are causing the sustainability of the workforce to be compromised, the likely consequences if left unaddressed and the actions being taken to mitigate the risk.

Causes of risk

2. The key indicators that demonstrate concern regarding workforce sustainability include:
 - The level of staff turnover has gradually increased over the past year and for the 12 month period up to 31 January 2024 is set at 15.29%.
 - Absence for the organisation is at 6.58 days/FTE as at 31 January 2024. against a target of 6.5 days/ FTE. These levels range across the business and reaching

as high as 12.29 days/ FTE in some services. 27% of all absence is due to stress, anxiety and depression.

- Just under 25% of the workforce is aged 56 years and over.
 - Nationally the sector is generally struggling to recruit.
 - The current cost of living crisis means staff need competitive rates of pay.
3. The Council experiences difficulty in recruiting to certain roles, for example surveyors, lawyers and environmental health officers caused by a national shortage of these professional skills and a resulting inability to compete on salary costs due to the reduced supply of resource and attractive pay rates of contract work.
 4. The increasing staff turnover rate is caused by a range of issues the enticement of better pay from other organisations; pressure of work from increased demand particularly for our front-line services; our ambitious corporate and service plans; our capacity and capability for change; and staff reaching retirement age.

Consequences of risk

5. If these risk factors are left unaddressed this may result in increased workloads, low morale, an impact on wellbeing and absence levels, increased levels of turnover, and ultimately an impact on service delivery.

Actions to mitigate risk

6. There is however a comprehensive programme of work in situ to mitigate both the causes and consequences of the workforce sustainability risks. These are detailed below.
7. The local pay deal has been agreed with the unions for two years effective from 1 April 2024. This provides for a 6.5% cost of living increase in the financial year 2024/25 and enables staff not already at the top of their grade to receive an incremental rise in pay. (This will apply to circa 80% of staff). For the following financial year, 2025/26, the cost of living increase has been agreed at 3% and an additional day's leave will also be awarded to each staff member.
8. The pay and grading arrangements for the authority are currently being reviewed. The objectives of the review are to particularly ensure across the Council and its wholly owned companies that market-based pay is reflected across the organisations as appropriate; the approach to market based pay is equitable; the job evaluation process is consistent, and internal relativities are maintained. The review is likely to be implemented in the summer of 2024.
9. The ongoing Leadership and Development programme has already delivered modules on managing and motivating performance. This will be continued with a focus on aspiring managers across the Council.
10. Policy and procedure training has also been provided on specific aspects of people management, with training workshops over the past 12 months on managing absence, performance and discipline.
11. Following the migration to Microsoft 365, there has also been digital skills training available for all staff, with the latest MS365 changes supported by a cohort of circa

20 change agents across the organisation. The change agents are allocated to teams across the Council, ensuring colleagues up to speed with the changes and to resolve any issues they may have.

12. Staff wellbeing initiatives have included a wellbeing at work week, offering access to support if employees are struggling with mental health issues. The occupational health service supports management of employees with health problems. The employee assistance programme provides all employees and their families with support, information, expert advice and specialist counselling to help prepare for life's predictable milestones and its unexpected events.
13. A comprehensive approach to communicating with the organisation has been undertaken to improve staff understanding and awareness of the various activities on offer. These include Leadership Conversations with the management cohort, all staff Let's Talk briefings and Lunch and Learn sessions that have been successful at opening conversations in respect of equality, diversity and inclusion.
14. The recruitment procedure has been developed to include more proactive recruitment campaigns, and better use of LinkedIn for example. Job applications have already increased in the past 12 months by 30%. There is also better outreach into the community to enable more inclusive recruitment to improve workforce representation. For example the Council is trialling activities in collaboration with Activate Learning to encourage more applicants from the community for entry level roles.
15. The organisation is also developing the use of recruitment videos on its website to give a fresh and more appealing view of the organisation for potential candidates.
16. Career development pathways have been introduced for legal, building control and environmental health roles in 2023.
17. There has been a series of workshops encouraging the use of apprenticeships within already establishment roles.
18. There is an aspiration to have a smaller and better paid workforce. This could be made possible from a review of the layers and spans in our structures, and a re-definition of the contribution levels associated with each management tier. This would need to be enabled by increased prioritisation as part of the business planning process and from continued leadership development and improved skills. The delivery of this aspiration may improve the organisation's ability to recruit and in turn could improve morale.

Financial implications

19. There are no financial implications.

Legal issues

20. There are no legal implications arising directly from this report.

Level of risk

21. The risk register is attached at appendix 1.

Equalities impact

22. The Council's People Strategy defines the Council's ambition for its workforce to have the right people, with the right skills, highly motivated, high performing and business-efficient delivering the best outcomes to the people of Oxford. The strategy articulates the respectful, inclusive and supportive culture that will nurture a more representative workforce – taking a more authentic approach that focuses beyond key performance indicators.
23. The People Strategy is divided into six key themes to address the external context the Council faces and enable our business goals. These link every aspect of a person's career cycle, ensuring the highest standards of leadership and fostering a culture which is inclusive. These themes are:
- High Performing and flexible workforce
 - Attract, reward and retain talent
 - Support Development
 - Create a culture of wellbeing, diversity and engagement
 - Promote, champion and support inspirational leaders
 - People Team transformation
24. Equality, diversity and inclusion is implicit in the outcomes being delivered through the People Programme. Each of the actions identified as a mitigation to workforce sustainability are included in the People Programme. Every activity undertaken is designed to improve equality, diversity and inclusion particularly by ensuring:
- A reward package that is equitable and fair
 - Inclusive recruitment and retention of talented and experienced people
 - Leadership and development that builds an inclusive and high-performing organisation
 - Excellence in basic people service delivery
 - An engaging communications approach to ensure the organisation understands and can participate in the People Programme.

Carbon and Environmental Considerations

25. There are no specific impacts directly from this report.

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| Report author | Helen Bishop |
| Job title | Head of Business Improvement |
| Service area or department | Business Improvement |
| Telephone | 01865 252233 |
| e-mail | hbishop@oxford.gov.uk |

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| Background Papers: None |
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