# Internal Audit Report

# Cross Service

# Workforce Planning

**Issued to:**
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External Audit

# EXECUTIVE SUMMARY

Effective workforce planning provides a structured and evidence based approach to achieving the objective of having the right people, in the right place, doing the right thing, at the right time, in the face of changing circumstances, funding challenges, and increasing service demands. The Council's 2019/20 staffing budget, including on-costs, is £284.1 million. As at 5 June 2020 the Council employed 6,515 FTE of permanent and fixed-term staff.

The objective of this audit was to provide assurance that the Council has appropriate and adequate plans in place to determine its workforce requirements and that these are in operation throughout the Council.

The Council's Workforce Plan (the Plan) was approved by the Staff Governance Committee in June 2019. The Plan is clear in terms of how the Council will build the capacity and capabilities of the workforce in order to deliver the Council's Target Operating Model.

In terms of capacity, the Plan includes an analysis of the workforce age profile, recognising the need to capture knowledge of more experienced members of staff, while developing the young workforce. The Council has a number of schemes in place to develop the young workforce and was awarded an Improving Investors in Young People gold award in March 2020. The Plan also recognises the need to reshape the workforce from areas of reducing demand into areas of sustained and increasing demand whilst giving consideration to employee health and wellbeing. The Council has achieved a silver NHS Healthy Working Lives award and has a mental health action plan to help ensure employee wellbeing.

A Capability Framework is included in the Plan which clearly describes the behaviours, knowledge and skills expected of employees in order to adhere to the Council's Guiding Principles, which were agreed following consultation with employees and Trade Unions and are linked to the design principles of the Council's Target Operating Model. A Continuous Review and Development process, based on the Capability Framework, was made available to employees and managers in December 2019, to facilitate "continuous conversations" between staff and their line managers for staff development purposes. In addition, a digital learning platform has been established so employees can seek, access and share knowledge and learning.

Workforce related policies, procedures and guidance were clear and comprehensive. The Council's "re.cr.uit" (retaining employees, changing roles, using internal talent) scheme aims to find suitable internal employees for vacant roles within the Council, based on alignment between the attributes required to perform a specific role, with the attributes held by employees in the scheme. 439 staff had registered interest in the scheme at 1 June 2020. It is intended that the scheme will use a digital tool to match potential internal candidates to suitable roles. The Cluster advised the tool is currently at the testing stage and have agreed to develop and launch the tool.

Workforce performance indicators and risk assessments are reported regularly to Corporate Management Team while six monthly absence data is reported to Staff Governance Committee. Under the Council's Committee Terms of Reference, one of the purposes of the Staff Governance Committee is to approve and monitor workforce strategies which ensure the Council has a workforce fit for the capabilities required to be a 21st century Council. People and Organisation has agreed to report progress on the Workforce Plan to Committee when appropriate.

# 1. INTRODUCTION

1.1 Audit Scotland advised in their "Challenges and Performance 2018" report on local government in Scotland that "robust workforce planning is essential to ensure Councils have the right people, who have the right training and skills, to deliver their priorities".

1.2 The Chartered Institute of Personnel and Development (CIPD) describes workforce planning as an iterative process of:
- understanding the organisation and its environment;
- analysing the current and potential workforce;
- determining future workforce needs;
- identifying workforce gaps;
- taking action to address shortages, surpluses or skills mismatches;
- ongoing monitoring and evaluation of the workforce.

1.3 The Council's 2019/20 staffing budget, including on-costs, is £284.1 million. As at 5 June 2020 the Council employed 6,516.5 FTE of permanent and fixed-term staff.

1.4 The objective of this audit was to provide assurance that the Council has appropriate and adequate plans in place to determine its workforce requirements and that these are in operation throughout the Council.

1.5 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Isla Newcombe, Chief Officer – Organisational Development, and Lesley Strachan, Talent Acquisition Lead.

## 2. FINDINGS AND RECOMMENDATIONS

### 2.1 Target Operating Model

2.1.1 In August 2017 the Council approved a proposed Target Operating Model (TOM) for Building a Council of the Future. This included a Transformation Portfolio to deliver the Target Operating Model in phases by 2020/21, which would deliver £125 million of associated savings between 2018/19 and 2022/23. The drivers for change included:

- ongoing and increasing fiscal restraints;
- evolving customer needs and expectations;
- the need to have increasingly engaged and flexible staff;
- legislative and policy changes; and
- opportunities afforded through modern technologies.

2.1.2 The Target Operating Model was developed with consideration of the above drivers for change and the strategic ambition for both the City and the Council as expressed through the Local Outcome Improvement Plan (LOIP).

2.1.3 The Target Operating Model describes the factors creating pressure on Council Services, including a growing and ageing population, with the pre-school age and over 65 populations both expected to rise. The economic downturn in Aberdeen which followed the 2014 crude oil price drop was also identified as a pressure for the Council, as a result of the impact on deprivation levels, as was the Scottish Government initiative to increase free early learning and childcare hours from 600 to 1,140 hours per annum per child.

2.1.4 Under the Target Operating Model, the workforce is expected to work flexibly, openly and collaboratively across functions, solving problems where required, and be empowered to make decisions to deliver the Council's priorities. This will involve fewer management layers and employees moving where they are needed. Employees will also be expected to be digitally able, connected, data informed, and future focussed. Opportunities for employees to move more flexibly across the organisation will facilitate the transition in skills base required to deliver the TOM.

2.1.5 The Council's workforce of the future will have objectives aligned to Community Planning Aberdeen's LOIP goals, the overall vision of which is to make Aberdeen "a place where all people can prosper". The approach to reward and recognition and how work is packaged will be revised to support a "24/7" access model for the Council's customers. In addition, staff will be expected to be open and co-operative in relation to learning and development.

### 2.2 Organisational Capabilities and Guiding Principles

2.2.1 Seven organisational capabilities have been established based on the design principles of the Target Operating Model:

- Managing demand through prevention and early intervention;
- Being flexible and adaptable;
- Ensuring accountability, transparency and openness;
- Becoming intelligence led;
- Encouraging inclusiveness, engagement and collaboration;
- Achieving consolidation and consistency; and
- Focussing on outcomes that make a difference.

2.2.2 On 18 March 2019 the Staff Governance Committee approved the Council's new Guiding Principles intended to guide employee behaviours and relationships with colleagues and customers, in order to support the delivery of the seven organisational capabilities and

therefore the Target Operating Model. The Guiding Principles, were developed after consultation with staff, including senior managers, and as reported to the Staff Governance Committee, Trade Union colleagues. The Guiding Principles are as follows:

- Purpose – we care about our purpose, our city and our people;
- Pride – we take pride in what we do and work to make things better;
- Team – one team, one Council, one city;
- Trust – we trust each other and take responsibility;
- Value – we value each other and recognise a job well done.

2.2.3    Linked to each Guiding Principle is a set of expected behaviours and behaviours which should be avoided. These behaviours are comprehensive and clear and demonstrated a link with the organisational capabilities. It was reported to Staff Governance Committee in March 2019 that the Guiding Principles will likely remain relevant for the next two to five years, however the associated behaviours will need to be reviewed annually to ensure they reflect the key drivers of change.

**2.3      Workforce Plan**

2.3.1    The Staff Governance Committee approved the Council's Workforce Plan (the Plan) on 18 June 2019. The Plan describes:

- the Council's vision for a workforce of the future;
- the link with the LOIP, Target Operating Model, the organisation capabilities and the Guiding Principles
- workforce capacity requirements i.e. attracting and retaining the workforce of the future, with an emphasis on developing the internal workforce and the young workforce;
- workforce capability requirements – skills, knowledge and behaviours.

2.3.2    The Plan further identifies the need to build the capacity and capability of the future workforce by:

- Identifying the skills, knowledge and behaviours required;
- Identifying areas of potential shrinkage and areas of growth or sustained need;
- Addressing key gaps in the workforce;
- Creating a more flexible and fluid approach to career development with opportunities for reskilling and internal movement;
- Collaboration with Arm's Length External Organisations (ALEOs); the Health and Social Care Partnership; and other Partners.

Workforce Capacity

2.3.3    The Workforce Plan recognises the need to review the current workforce profile and the areas of sustained and increasing demand, alongside reducing areas of demand and to use this information in the preparation of the Workforce Plan. The Plan identifies three areas of focus for building workforce capacity:

- Responding to the Council's multi-generational workforce;
- Developing the young workforce;
- Reshaping the current workforce to support areas of sustained and increasing demand as well as supporting health and wellbeing.

2.3.4    The workforce age profile at June 2019 is detailed in the Plan, indicating the Council has a greater proportion of older employees (38.7% aged 50 or over, as compared to 14.31% 20 to 29 years and 0.51% under 20 years). The challenges this poses are identified including the need to capture the knowledge, skills and experience of older staff before they leave the organisation.

2.3.5    The Plan seeks to develop the existing young workforce and attract new young employees (defined as aged 16-24), into areas of need, to develop a "workforce of the future" through a variety of means.  Full details are shown in Appendix 1.  The Council obtained an Improving Investors in Young People gold award in March 2020.

2.3.6    In the context of the financial challenges facing the Council, the Workforce Plan seeks to ensure organisational priorities are addressed by transferring staff from areas of reducing demand to areas of growth.  This is to be achieved by developing employee skills, knowledge, behaviours and where appropriate, qualifications, accreditations and memberships e.g. retraining employees as primary and secondary teachers and early years practitioners.

2.3.7    To improve accessibility to roles of sustained (hard to fill) or increasing demand for internal employees, the Plan states there will be less focus on qualifications and experience and more on behaviours and capabilities which would ensure success in the role, thereby enabling delivery of priority services in a flexible way.

2.3.8    The Plan describes the general factors creating areas of sustained and increasing demand for employees, including local and national shortages, specific areas of growth, changing demographics and government initiatives, providing the early years expansion as an example of a relevant government initiative.  In addition, examples of roles where there is sustained demand (Teachers, Educational Psychologists, Care Support Workers) and increasing demand (Early Learning and Childcare, Digital and Business Intelligence / Data Analysis) are described in the Plan.

2.3.9    The Plan also identifies the fact employees are more likely to embrace change, work flexibly and be creative problem solvers if there is a focus on supporting employee health and wellbeing.  This is to be achieved by:
  - Implementing the Mental Health Action Plan
  - Supporting managers and teams to create and maintain supportive and healthy workplaces and practices;
  - Developing the Council's partnership with Healthy Working Lives;
  - Regular reporting to understand absence and support improvement by targeting specific areas;
  - Addressing the reasons for absence with evidence-based sickness absence action plans

2.3.10   The Council's Mental Health Action Plan was prepared to address "psychological" related absence and develop a culture of openness and support in relation to employee mental health.  The Plan was approved by Staff Governance Committee in January 2019.  As at February 2020 it was reported to CMT that 75% of the work required to complete the plan has been completed.

2.3.11   Progress was also reported to Staff Governance Committee in February 2020.  Work to date includes delivery of a Mental Health Awareness Week in partnership with the NHS, Aberdeen Health and Social Care Partnership, and third sector; communications to employees on the availability of the Employee Assistance Counselling Service and a "See Me" mental health awareness campaign in September 2019 via the staff intranet.  In addition, a number of employees have undertaken Mental Health First Aid training in order to act as "Mental Health First Aiders" for employees, that is a trained point of contact for employees who require support with mental health matters.

2.3.12   It was reported to Staff Governance Committee on 3 February 2020 that 40 Mental Health First Aiders (MHFAs) have been trained. People and Organisation has advised that as at 1 June 2020, 62 MHFAs have undertaken training.  It is anticipated that 90 will be trained by the end of the financial year following the roll out of further training.  Contact details for

31 MHFAs at various locations across the Council are advertised on the staff intranet site; People and Organisation advised the staff intranet will be updated to include contact details for all staff trained.

2.3.13 A comprehensive training programme is available to staff to gain an understanding and raise awareness of mental health in the workplace. This includes eLearning and face to face training for managers and employees covering: suicide prevention; alcohol and drug use; understanding sleep; Mindfulness; and stress awareness.

2.3.14 The NHS Healthy Working Lives award programme helps employers identify issues and improve health, safety and wellbeing in their organisation in a structured way. Healthy Working Lives reports the benefits of the award as including improved employee morale, retention and productivity. The Council has obtained a silver Healthy Working Lives award.

2.3.15 A six-monthly report is issued to Staff Governance Committee detailing the number of days lost to sickness absence per month, with comparative absence figures for the same month in the previous year. The monthly absence figures are further analysed by percentage of days lost by absence reason. The last six-month absence report covering the period 1 May to 31 October 2019 was noted by the December 2019 Staff Governance Committee. The greatest number of absence days were lost due to musculoskeletal and psychological reasons, as were the majority of Occupational Health referrals.

2.3.16 The December six-monthly absence report identified relevant mitigating actions to address the days being lost to musculoskeletal and psychological health problems, including carrying out relevant risk assessments, provision of support to line managers, raising awareness of counselling available via the Employee Assistance Service, training Mental Health First Aiders, and delivering the Council's Mental Health Action Plan.

Workforce Capability

2.3.17 A Capability Framework is included in the Plan which describes the behaviours, knowledge and skills expected of employees in order to adhere to the Council's Guiding Principles. The framework is structured into four levels, centred on the responsibility to lead (i.e. responsible for leading: self (level 1); others (level 2); multiple teams (level 3); and organisation (level 4)); leadership covers responsibility for strategy and policy as well as management responsibility.

2.3.18 Whilst expected behaviours under the Guiding Principles are common to all employees, knowledge and skills expectations under each Guiding Principle are separately identified for each employee level, with knowledge and skills being cumulative up to the level an employee is on e.g. level 3 – level 1, 2 and 3 would apply. The Plan advises that the Capability Framework was developed following external research of industry best practice, including the CIPD and benchmarking against other Local Authorities as well as wide consultation with staff, managers, senior managers and trade unions.

2.3.19 The Capability Framework is comprehensive and clearly describes the expected employee behaviours, knowledge and skills, at all levels, required to deliver on the Council's seven organisational capabilities. Key employee requirements are covered, including the need to be flexible and adaptive, digitally skilled, a problem-solver, an accountable decision maker, and able to work collaboratively, to deliver on Council priorities. The framework also forms a clear basis for performance review and succession planning.

2.3.20 A Workforce Development Plan (WDP) is included in the Workforce Plan. The WDP identifies the fact the majority of learning is as a result of on the job experience (55%) and

coaching, mentoring and peer learning (25%), with just 20% through formal learning (classroom training or online courses). The WDP takes account of this by promoting self-directed learning and adopting a coaching and mentoring approach to learning where possible.

2.3.21    The following key development themes, derived from the Capability Framework, are detailed in the WDP: Demand and Customer; Improvement and Change; Digital and Data; Leadership and Management; Mental Health and Wellbeing; and Commissioning. These are to be addressed via the following "learning interventions":

- Peer based learning (learn and share)
- Self-guided learning (video, webinar, how to guides, google, OIL etc)
- Skills Practice (peer led with identified experts / mentors)
- Bite Size (to introduce / refresh specific knowledge and skills)
- Coaching and mentoring (peer led; one to one support)
- Collaborative Learning (with partner agencies on priority areas)
- Skills Conferences (specific business needs)
- Online open courses

2.3.22    The Workforce Development Plan recognises the need to maintain the correct balance between professional knowledge and flexibility achieved by the Capability Framework, and therefore indicates that professional memberships will need to be maintained where required to ensure there is trust in the competence of the organisation. The WDP also acknowledges the need to comply with legislative and regulatory requirements via mandatory training (considered further below in sections 2.4 Continuous, Review and Development and 2.7 Workforce Governance).

2.3.23    To move from a hierarchical management to distributed and collaborative leadership, employee development will include a core message on what distributed leadership means in terms of increased personal accountability and empowerment. There will also be an emphasis on ensuring managers can apply people management policies and procedures and on leadership capabilities to enable and empower employees.

2.3.24    A digital learning platform (the Learning Academy) has been established so employees can seek, access and share knowledge and learning. Content on the platform covers the Guiding Principles; the development themes (see paragraph 2.3.21 above) face-to-face training; professional training resources; and external free sources of learning available, such as OpenLearn hosted by the Open University. The platform also links to sites hosted by other Clusters. The platform includes a form for employees to share learning resources and "tag" these according to the development theme they relate to e.g. Leadership; Customer; Mental Health etc. Submissions via the "Share Your Learning" form are received by People and Organisation into a shared inbox for consideration prior to being posted on the Learning Academy.

2.3.25    People and Organisation intends to issue monthly bulletins to staff detailing face to face courses available to managers and all employees. A draft monthly bulletin has been prepared (not issued due to COVID-19); this includes: training on the Council's Continuous Review and Development process (considered further in section 2.4); wellbeing training; and training for managers including a 2 day workshop on coaching "The Coach Approach to Managing". People and Organisation has advised that four People and Organisation advisors are training to achieve the Institute for Leadership and Management Level 5 Certificate and Diploma in Effective Coaching and Mentoring.

**2.4      Continuous Review and Development**

2.4.1     The Continuous Review and Development (CR&D) scheme was made available to employees and managers via CoreHR in December 2019 along with detailed guidance.

The scheme is based on continuing conversations between managers and employees (rather than a single annual review). As part of the CR&D process, employees are required to self-assess their performance against the expected behaviours, skills and knowledge under the Capability Framework, to identify strengths and establish a development plan. Once line manager agreement has been reached on a proposed development plan and the employee's strengths, the employee is expected to address areas of development and share best practice (e.g. via the Learning Platform, coaching etc) where strengths have been agreed. Completion of job specific goals is also monitored via the CR&D process. The results of the CR&D process, including the development plan, are captured in the Council's digital platform CoreHR.

2.4.2    According to the Workforce Plan, learning and development success will largely be measured based on employee delivery of agreed outcomes, however, where training is mandatory or a requirement of the job profile, this will be recorded and tracked digitally, which will flag any outstanding development needs or any refresher training required.

**2.5    Policies, procedures and guidance**

2.5.1    Comprehensive written procedures which are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance that correct and consistent instructions are available to staff, important in the event of an experienced employee being absent or leaving, or when a new process is being introduced.

2.5.2    Staff Governance Committee approved a revised approach to internal recruitment and movement of staff entitled "re.cr.uit" (retaining employees, changing roles, using internal talent) in October 2019. The scheme aims to find suitable internal employees for vacant roles within the Council, based on alignment between the attributes required to perform a specific role, with the attributes held by employees in the scheme.

2.5.3    Internal recruitment into areas of sustained demand is a priority under this scheme, with candidates considered based on their potential ability to undertake the role, based on transferable skills, knowledge and behaviours (rather than solely on qualifications, technical skills and experience required from day one). This builds on the Workforce Plan Capability Framework requirements, intended to create a flexible and agile workforce. It was reported to Staff Governance Committee that the Extended Corporate Management Team, a diverse range of recruiting managers and Trade Unions are supportive of the scheme.

2.5.4    Recruitment for all roles is via the re.cr.uit scheme. The scheme is promoted on the staff intranet website "People Anytime" and employees are encouraged to register interest by clicking a button on the re.cr.uit webpage. The Council's Redeployment Procedure is also available to staff on the re.cr.uit webpage, updated for the requirements of the scheme.

2.5.5    Under the re.cr.uit scheme employees will be assigned a priority status as detailed below depending on their current employment situation:
- Priority 1 – employees who are subject to formal redeployment
- Priority 2 – employees currently undergoing changes which impact on their role and are therefore "at risk" of displacement from their current position, as a supportive measure / mitigation before and alongside formal job matching processes, and
- Priority 3 – Volunteers – employees who wish to join the scheme as they are seeking a change in role or career

2.5.6    People and Organisation has advised that as at 1 June 2020, 439 staff have registered interest in the re.cr.uit scheme, for the purposes of receiving copies of the internal vacancy

bulletin.  Scheme registration is required to apply for internal vacancies.and / or to receive updates on the scheme.

2.5.7    People and Organisation also advised that the number of staff signed up for the re.cr.uit scheme has remained relatively unchanged since the temporary movement of staff scheme was launched in March 2020 in response to the COVID-19 emergency, to enable staff to be moved to critical services across the Council and city (considered further in section 2.8 below).   As as at 1 June 2020, approximately 1,600 employees have volunteered for the COVID-19 temporary movement of staff scheme and People and Organisation expect that a significant proportion of these employees will be interested in the re.cr.uit scheme in future, based on the willingness of staff concerned to adapt to deliver critical services.

2.5.8    It is anticipated that the scheme will provide a more streamlined approach to vacancy authorisation and the selection process.  Under the scheme, when a manager identifies that a vacancy requires to be filled, they will be directed to an Advisor in the Talent Acquisition Team, to discuss all options, including consideration of a traineeship / apprenticeship and to look at the job profile and role requirements.

2.5.9    It is intended that the scheme will use a digital tool which will provide an electronic response as to whether there are potential candidates who may be suitable for a role. People and Organisation has advised that the tool is currently at the testing stage.  The tool will determine the suitability of candidates on a ranked basis (a shortlist), by assessing employee personal profile information against the job requirements, taking into account a candidate's priority status and a combination of psychometric test results, as well as skills, qualifications and experience, to determine an employee's "fit" to a role.

2.5.10   Employees will only be able to view their own profile / data and their own potential alignments.  Recruiting managers will only see data / alignments for their particular roles. Testing of the digital tool has been delayed due to the Council's response to COVID-19, therefore the re.cr.uit scheme has not been fully implemented.

2.5.11   People and Organisation advised that while the digital tool is being developed the re.cr.uit scheme has been operating using a manual process.  Recruiting Managers submit an online "request to recruit" form to the Talent team within People and Organisation and a People and Organisation Adviser contacts the recruiting manager to discuss the requirements of the role and the minimum requirements of the job profile, to determine whether an internal employee with transferable skills could potentially undertake the role with time and development. The vacancy is then advertised internally using the jobs page on the intranet, via yammer on the intranet and by alerting the employees who have signed up to the re.cr.uit scheme.

2.5.12   However, the digital tool functionality is not presently available, meaning candidates signed up to the re.cr.uit scheme are not being matched to vacancies based on an assessment of their priority, skills, qualifications and experience.  A recommendation is included to track progress with the development of the re.cr.uit scheme digital tool.

| **Recommendation** | | |
|---|---|---|
| The RE.CR.UIT scheme digital tool should be developed and launched. | | |
| **Service Response / Action** | | |
| Agreed. | | |
| **Implementation Date** | **Responsible Officer** | **Grading** |
| December 2020 | Talent Acquisition Lead | Significant within audited area |

2.5.13    A number of other policies, procedures and guides are also in place covering matters related to workforce capability and / or capacity, including: Supporting Attendance and Wellbeing Policy and Procedure; Managing Vacancies (request to recruit) and Contractual hours guidance (increasing / decreasing employee hours; contracts / secondments and requesting higher grade duties); guidance on the staff intranet "People Anytime"; Performance Management guidance; Flexible Working Application guidance; Continuous Review and Development guidance; and Capability Framework guidance.  As with the re.cr.uit scheme and redeployment procedure, all were available via People Anytime and were comprehensive and clear.

## 2.6    Corporate Risk Register

2.6.1    The Corporate Risk Register contains risk 003 "Workforce of the future" (Corp-003) which is defined as "The Council must ensure that it has a workforce with the capability and capacity to deliver our Strategic Outcomes".  The potential impacts, causes and controls detailed in Corp-003, reported to CMT Stewardship in February 2020, were appropriate and comprehensive, with assurance actions listed where controls were partially effective, which were progressing well based on the original due date for completion of the action.

2.6.2    Causes detailed for the workforce lacking the required capacity and capability are largely what the Workforce Plan intends to mitigate e.g. workforce cannot meet needs of organisation and workforce behaviours do not support flexibility, change and improvement.  Potential impacts detailed include inability to deliver corporate outcomes, including statutory obligations and customer and service user dissatisfaction.

2.6.3    Corp-003 controls marked as fully effective are as follows:
- Strategic workforce plan
- Workforce development plan
- Absence reporting
- Staff Governance Committee
- Regular engagement with Trade Unions (Staff Governance Committee is a forum for this)
- People Policies
- Establishment Control Board maintaining oversight of recruitment and the Council's establishment list
- Horizon scanning - impacts of changes to service delivery on workforce requirements e.g. the Chief Officer - Organisational Development is a member of CMT Stewardship and CMT Transformation facilitating identification of relevant changes

2.6.4    Controls marked as partially effective as at February 2020 are as follows:
- Positive leadership and management
- Recruitment and movement of internal resource
- Regular monitoring of peripheral staffing

2.6.5    Since February 2020 CR&D controls have been established, with CR&D training rolled out to staff and staff being required to engage with the CR&D process for the purpose of determining pay increment eligibility.  Regular communication with staff has also been addressed following the completion of the staff intranet refresh and the development of an Internal Comms strategy.

2.6.6    Employees are expected to be "developing" in skills, knowledge and behaviours and "successfully achieving" in objectives by 31 March 2020.  By 31 March 2021 employees are expected to at least be "successfully achieving" in all areas.  An employee's eligibility

for a pay increment is dependent on meeting these performance requirements by 1 March 2020 and not being managed under conduct or performance policy.

2.6.7    Regular conversations via CR&Ds coupled with the use of the re.cr.uit scheme, are the main controls required to be fully implemented, to ensure the Council has a workforce of the future, with the skills, knowledge and behaviours necessary to deliver Council priorities.  The Cluster has set a due date of 31 March 2021 to promote and implement fully a Culture Change Programme, shifting the Council's culture in line with the Guiding Principles and increasing employee empowerment and trust.  This action is aligned with instructions to staff regarding the CR&D (e.g. webinar, staff intranet guidance) expecting as a minimum all employees will be "successfully achieving" behaviours, skills and knowledge under the Capability Framework and work objectives by 31 March 2021.

**2.7      Workforce Governance**

Establishment Control

2.7.1    Comprehensive guidance is available for permanent changes to the Council's establishment, including: establishment of new posts; disestablishment of existing posts; and conversion of fixed term posts to permanent posts.  All of these changes require a business case to be approved by the relevant Director / Chief Officer, following consultation with the Chief Officer – Organisational Development, Chief Officer – Finance, Trade Unions and affected employees.

2.7.2    Governance arrangements for the recruitment of permanent staff were revised by the Urgent Business Committee in May 2020 in response to the COVID-19 emergency.  UBC agreed to *"limit external recruitment of employees only to critical posts where there was a clear and pressing need for resources relating to the COVID-19 response or public health and protection and the resources cannot be found either from temporary or permanent internal movement.  Any permanent internal or external recruitment should only be undertaken in consultation with the Convenor of the City Growth and Resources Committee and should only be undertaken where the post would not be impacted by ongoing future redesign, and that the relevant Committee be provided with service updates regarding any permanent recruitment that had been undertaken."*  Requests to recruit are initially considered by a People and Organisation Adviser within the Talent Team (as described in paragraph 2.5.11 above), to establish if there are internal recruitment opportunities in the first instance and to ensure only appropriate cases are referred to the Convenor of the CG&R Committee.  The recruitment requirements specified by the UGC in May 2020 are clearly detailed on the Council's "Managing Vacancies" intranet web page, where online requests to recruit are made.

Chief Officers and CMT

2.7.3    The People Performance dashboard is reported to Corporate Management Team and made available to Chief Officers.  Reports available via the dashboard include: establishment control variances (between budgeted and actual full time equivalent staff numbers); monthly data on overtime and number of staff receiving payments for additional hours worked; sickness absence data; and number of staff yet to complete mandatory training.  The dashboard is considered further in Internal Audit AC2026 Performance Management.

2.7.4    People and Organisation regularly prepared a report in 2019/20 for the purposes of monitoring employee Continuous Review and Development e.g. prepared 7 times in February 2020.  This covered for each Cluster: the total number of CR&Ds due to be completed; the number of CR&Ds completed; and the number and percentage of actions outstanding with employees and managers in order to complete the CR&Ds (CoreHR

identifies where action is required).  People and Organisation advised that as at 26 June 2020, 75% of staff had completed a CR&D self-assessment of their performance against the expected behaviours, skills and knowledge under the Capability Framework.

2.7.5    As reported to Staff Governance Committee in June 2019, Council employee contracts state "incremental progression is subject to you demonstrating that you meet the minimum performance criteria in your job and are not being managed under [the policies described in] the Local Salary Progression Scheme (LSPS)".  1,064 Council employees successfully achieved a pay increment of 1,106 who were eligible to be considered.

2.7.6    Business Intelligence and Performance Management (BI&PM) and People and Organisation are working with Digital and Technology to provide access to live mandatory training completion exception data to CMT, Chief Officers and third tier managers via the PowerBI based "People Performance" dashboard.  The Chief Officer – Business Intelligence and Performance Management (BI&PM) has advised progress will be monitored by the Employee Data Forum, which is co-chaired by the Chief Officer – BI&PM and the Chief Officer – People and Organisation.  This should help ensure mandatory training is completed by employees as required by the Workforce Plan.

2.7.7    The Employee Data Forum is responsible for managing and driving a coordinated approach to improvements required to the governance, architecture, performance reporting and improvement arrangements for employee related information and data assets.  The group is co-chaired by the Chief Officer – Business Intelligence and Performance Management and the Chief Officer – People and Organisation.  People Performance was an agenda item on the January 2020 meeting of the Employee Data Forum and it was agreed that Business Intelligence and Performance Management would collaborate with Digital and Technology to automate updates of employee data, including exception reporting in relation to Information Governance training completion.  The Chief Officer – BI&PM has advised progress will be monitored by the Employee Data Forum.

Staff Governance Committee

2.7.8    Under the Council's Committee Terms of Reference, one of the purposes of the Staff Governance Committee is to approve and monitor workforce strategies which ensure the Council has a workforce fit for the capabilities required to be a 21st century Council.

2.7.9    Six monthly absence data is reported to Staff Governance Committee as described in paragraph 2.3.15 above.  In addition, the Staff Governance Committee has requested an update report on the new approach to internal recruitment and movement of staff under the re.cru.it scheme for monitoring purposes, one year from when the scheme was approved in October 2019.

2.7.10   As at April 2020, the Staff Governance Committee has yet to receive a report on workforce capabilities and capacity.  A regular report covering the Council's headcount, FTE, vacancies and redeployment as well as employees' development under the Capability Framework, as recorded via the CR&D process, would be useful to facilitate monitoring of the Workforce Plan.

| **Recommendation** |
| Progress on the Workforce Plan should be reported to Committee when appropriate. |
| **Service Response / Action** |
| Agreed |
| **Implementation Date**          **Responsible Officer**          **Grading** |
| December 2021 |

| | Chief Officer – Organisational Development | Significant within audited area |
|---|---|---|

## 2.8 COVID-19

2.8.1 The Chief Executive has issued regular communications to staff as the COVID-19 situation has progressed; on 26 March 2020 an email was issued to staff identifying the Council services regarded as critical during the COVID-19 emergency response and seeking volunteers to deliver these services. Critical services were categorised as follows: critical to Local Resilience Partnership response e.g. registration of deaths, refuse collection; critical to protect vulnerable people e.g. care at home; critical digital technology e.g. logistical support; and organisationally critical e.g. street lighting, health and safety.

2.8.2 A "Temporary Movement of Staff" form was circulated to all staff as part of the same communication from the Chief Executive. The form is comprehensive, covering availability to work, preferences for listed critical services and relevant skills, qualifications and experience. A similar Manager Questionnaire was also circulated for the purpose of identifying managers with a need for volunteers, the specific critical services to be delivered and the availability, skills, knowledge and experience required of volunteers.

2.8.3 At the time of the audit, the Council was seeking: helpline call handlers; LGV drivers; Environmental Operatives; a Data Loggist; Trade Waste administrators; resource coordinators (to receive requests for assistance and co-ordinate volunteer response); Personal Protective Equipment delivery drivers; and assistance at Bon Accord Care and "pop-up" locations for NHS patients e.g. TECA. As at 9 April 2020 1,571 staff had volunteered.

**AUDITOR:** A Johnston

**Appendix 1 – Young Workforce Schemes**

- Foundation Apprenticeships –- one day per week work-based learning and experience for secondary school pupils S5 and S6 e.g. Early Years, Social Care, Digital and Technology, Finance, People and Organisation, and external Communications – 32 pupils in 2019/20;

- Modern Apprenticeships (MAs) – Young people aged 16 to 24 – learning with on-the job experience and salary – 4 year apprenticeship in craft roles (joiner, plumber, electrician etc) and corporate apprenticeships e.g. early years, social care, housing, customer service business admin – 54 craft in 2019/20 and 18 corporate MAs in 2019/20;

- Graduate Apprenticeships – undertake paid role within Council while undertaking recognised undergraduate degree at university to support development and career progression; variety of honours degrees e.g. BSc (Hons) IT Management for Business, BA (Hons) Accountancy, BEng (Hons) Civil Engineering – 15 in 2019/20;

- Career Ready Internship – work experience and mentoring for school pupils in S5 and S6. Students offered support by Council employee mentor throughout S5, four week summer internship and throughout S6. Students gain an understanding of Council careers and the right attitudes and professional skills needed for employment. Scheme also offers opportunity for staff to develop mentoring skills – 13 employees began mentoring in 2018 and a further 16 began mentoring in 2019;

- Internships – Care Experienced Young People (Corporate Parenting) – on completion of internship, Care Experienced candidates can apply for Modern Apprenticeship or entry level Council vacancies via guaranteed interview scheme;

- Young People Network – representatives from employees aged 16-24 gather views of young Council employees on employment experience and represent young employees in development of key initiatives;

- Mentoring Support to Managers – training, guidance and a network is being developed to share best practice for mentors e.g. mentoring via Career Ready Programme or apprenticeship programme.

**Appendix 2 – Grading of Recommendations**

| GRADE | DEFINITION |
|---|---|
| **Major at a Corporate Level** | The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council. |
| **Major at a Service Level** | The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.<br><br>Financial Regulations have been consistently breached. |
| **Significant within audited area** | Addressing this issue will enhance internal controls.<br><br>An element of control is missing or only partial in nature.<br><br>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.<br><br>Financial Regulations have been breached. |
| **Important within audited area** | Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control. |