

Workforce Innovation - how councils are responding to workforce challenges

Best Value thematic work in Aberdeen City Council
2023-24



Prepared by Audit Scotland
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Key facts



Workforce 2023/24

| | |
|--------------------------|---|
| 9,000 | Number of people working for the council – headcount (rounded) |
| 7,000 | Number of people working for the council – full time equivalent (rounded) |
| 1,000 (19,000) | Number of relief staff (days paid in 2023/24) (rounded) |
| 9,000 | Number of supply teaching days paid in 2023/24 (rounded) |
| 9.1% | Turnover of staff in last year |
| 8.8 days | Average days lost in 2023/24 due to absence per employee |



Age profile

| | |
|--------------|----------|
| 13.5% | 16 to 29 |
| 48.1% | 30-49 |
| 26.4% | 50 to 59 |
| 12.0% | 60+ |

Key messages

- 1** Workforce planning is effectively integrated with the council's strategic priorities and is integral to the ongoing delivery of transformation. Robust arrangements are in place to engage with Trade Unions and with elected members through the Staff Governance Committee.
- 2** The council has delivered extensive transformation since 2017 in line with its digital strategy. Better use has been made of technology by digitalising routine transactions, centralising data storage and migrating systems to the cloud. This has released additional capacity, enabled some resources to be redeployed and some vacancies did not need to be filled. Further efficiencies are planned through more online services and increased digital capability.
- 3** Innovative technologies are creating a positive impact on productivity and service delivery and robotic process automation pilots have made efficiencies. There is a structured approach to staff engagement and providing support as the council continues through significant organisational change.
- 4** The council has well established arrangements for flexible working which have been extended through hybrid and remote working. Significant progress has been made in developing a revised smarter working approach which the council is soon to formalise. Council priorities include reducing staff absence and supporting employee health and wellbeing. In 2023/24 average staff absence was 8.8 days of which 25% relates to psychological factors.
- 5** Internal recruitment supported by learning and development is the council's preferred route for filling vacancies. A flatter organisational structure has been introduced in recent years which also requires greater empowerment and accountability. The council is also developing and investing in a younger workforce and building capacity across the council through the use of apprenticeships, internships and work placements including in some hard-to-fill roles.
- 6** Working with the council, Aberdeen Health and Social Care Partnership is taking steps to reduce workforce pressures. The council is also effectively working with a range of stakeholders including neighbouring councils, ALEOs and strategic partnerships. Shared services with other bodies has provided benefits for the council.
- 7** The council actively monitors progress with its workforce plan and provides regular reports on priority areas to elected members. A workforce dashboard is evolving providing managers with real-time data. This can trigger deep dives to better understand the data and target corrective action. The impact of change on staff is regularly monitored through a range of indicators and pulse surveys.

Scope of the audit

- 1.** This report covers the thematic aspect of the Best Value audit requirements. For 2023/24, the Accounts Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges
- 2.** The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure.
- 3.** This report sets out how Aberdeen City Council is responding to current workforce challenges through building capacity, increasing productivity and innovation.
- 4.** This report covers the thematic aspect of the Best Value audit requirements. In carrying out the work auditors have considered the following questions:
 - How effectively are the council's workforce plans integrated with its strategic plans and priorities?
 - How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?
 - How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?
 - What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?
 - What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?
 - How effectively is the council measuring the impact of its workforce planning approach?
- 5.** An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.
- 6.** The coverage of the work is in line with the expectations for councils' arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

Workforce strategy and priorities

Workforce planning is effectively integrated with the council's strategic priorities and is integral to the ongoing delivery of transformation.

Robust arrangements are in place to engage with Trade Unions and elected members.

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

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

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

Workforce planning is effectively integrated with the council's strategic priorities and is integral to the ongoing delivery of transformation

10. In 2017, Aberdeen City Council approved a £125 million transformation programme, including the adoption of the Target Operating Model (TOM) and digital strategy. This resulted in significant changes to both organisational and governance structures. The TOM was designed to shift the council away from traditional service-based directorates and introduced seven organisational capabilities it should fulfil:

- 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
- focusing on outcomes that make a difference.

11. Recognising that it is people and culture which will determine the success or failure of change, staff created five Guiding Principles in 2019 with associated example behaviours. These Guiding Principles set out the expectations from the organisation and were intended to assist in developing a culture and capabilities within the council which would influence and deliver the necessary transformation programme. Following workshops, on-line events, surveys and a vote, nearly 1,000 staff were involved in developing the following Guiding Principles:

- We care about our purpose, our city and our people
- We take pride in what we do and work to make things better
- One team, one council, one city
- We trust each other and take responsibility
- We value each other and recognise a job well done.

12. The council's transformation programme was intended to drive improvement through streamlining and improving services but it is also a tool to support delivery of the savings required by the medium term financial strategy. With an increasingly ageing workforce and difficulties being experienced in recruitment in a number of key areas, alternative solutions were needed. For several years, the council has operated in a challenging financial environment. As funding has reduced, the workforce has become leaner. In recent years, use of voluntary early release schemes has resulted in over 500 staff leaving the council.

13. The council wanted to create a workforce that could adapt to changing demands and priorities. Organisational structures, activities and processes were streamlined. Roles were designed with a greater focus on customer need, there was a will to reduce duplication and become more efficient through enhanced collaboration internally and with partners. Such changes enabled the council to manage a reduction in its workforce whilst continuing to deliver essential services.

14. The TOM and digital strategy were delivered by March 2023 having achieved planned savings targets and made significant changes to the number and responsibilities of directors, corresponding changes at lower management levels and a reduction in staff levels across the council. A second phase of major transformation was already underway with the council's adoption of a new TOM (TOM 1.2) in August 2022 covering the period 2022-27 with plans to undertake further service redesign to address a funding gap of £134 million.

15. Between March 2020 and March 2024, the council was organised into four directorates, supported by 14 clusters with directors and chief officers (Tier 2) forming the Extended Corporate Management Team. With effect from April 2024, a new organisation structure with three directors has been implemented.

16. The delivery of Aberdeen's transformation since 2017 has been supported by four enabling strategies: Customer, Digital and Data; Workforce; Intervention and Prevention; and Estates and Assets.

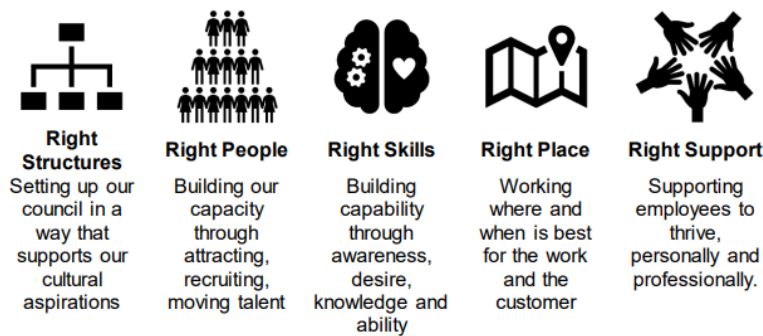
17. The council's approach to workforce planning includes having a multi-year workforce strategy focused on capacity, capability and culture (rather than setting an overall establishment figure). This is intended to ensure that staff allocation and development is embedded in its commissioning approach and supports the delivery of its strategic aims.

18. Workforce planning is a key priority for Aberdeen City Council as demonstrated through the following plans:

- In June 2019, the workforce plan set out the council's vision as being: to build capacity and capability for our future workforce, we start with addressing the skills, knowledge and behaviours we will require, how we will address key gaps in our workforce, and how we will create a more flexible and fluid approach to career

development, with opportunities for reskilling and internal movement through identifying areas of potential shrinkage and areas of growth or sustained need. Collaboration with our Arm's Length External Organisations (ALEOs), partners and the Health and Social Care Partnership is integral to this vision.

- In August 2022, the council approved the next phase of transformation, with the workforce strategy, a key element focusing on empowering a leaner workforce to improve and adapt services through upskilling and building capacity. In January 2023, the Workforce Delivery Plan set out the detail for delivery of the workforce strategy based around the following levers:



- In March 2024, the Council Delivery Plan 2024-25 set out the council's key priorities for the year ahead through Commissioning Intentions and Service Standards, which reflect current performance, and the resource available. The annual council delivery plan is produced, alongside the annual budget, which sets out how the council will contribute to policy commitments and LOIP outcomes. This includes details of ongoing policy initiatives, the approved commissioning intentions (ie commitments), ongoing transformation projects and service standards for the year ahead.

19. When preparing their annual budget proposals, individual business units consider the commissioning intentions, service standards and their own staffing requirements. Staff levels need to match service demand, with staff moved or recruited to fill gaps in demand. Service areas are challenged to assess the scope for service re-designs and their impact on workforce numbers. Redesign proposals may be multi-year but going through the process annually ensures alignment of service requirements and staffing levels. Once consultation with staff and trade unions is complete, the workforce budget is factored into the council's medium-term financial planning.

20. Clusters also 'horizon scan' their development needs, risks, legislative changes, and hard-to-fill posts and update their Cluster People Development Plan with continuous professional development requirements, other support and workforce budget needs.

Robust arrangements are in place to engage with Trade Unions and elected members

21. The council has robust arrangements in place to engage with Trade Unions. There are a number of routine forums across the council that provide regular opportunities for trade union representatives and officers to come together. In particular, there are weekly Director Union Engagement (DUE) meetings to discuss emerging issues and updates with ongoing matters. These are attended by the Executive Director of Corporate

Services, the Chief Officer - People & Citizen Services, the Service Lead - People, and Employee Relations Case Work Lead as well as representatives from all the trade unions. The purpose of the meetings is to allow for information from both sides to be shared at an early stage, for informal discussions to take place on a wide variety of topics and for the officers to hear first-hand of any concerns the unions are raising on behalf of their members. There is good attendance at DUE meetings, they are well received by officers and unions and the director is regarded as accessible.

22. The council is currently considering a reduction in the working week and associated pay to 35 hours as part of a budget saving. While this is unpopular with Trade Unions, there has been constructive dialogue between both parties. Unions have also raised concerns about financial difficulties as a result of reduced funding levels and the consequent reduction in staff and other resources being experienced by services.

23. The Staff Governance Committee was established in May 2018, incorporating the roles of the former Joint Consultative Committee and Corporate Health and Safety Committee into a single body. It acts as a forum for communication and consultation on matters relating to staff not considered elsewhere. It includes trade union representatives as advisers alongside councillor members to enable joint working and strengthen staff representation.

Digital technology and the workforce

The council has delivered extensive transformation in line with its digital strategy. Further efficiencies are planned through more online services and increased digital capability.

Innovative technologies are creating a positive impact on productivity and service delivery and robotic process automation pilots have made efficiencies.

There is a structured approach to staff engagement and providing support through organisational change.

24. The [Local Government Overview 2023 report](#) notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

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

The council has delivered extensive transformation in line with its digital strategy

26. An important element of Aberdeen City Council's transformation programme since 2017, its digital strategy, 'Being Digital' has focused on improving customer services, staff experience and use of resources. It was underpinned by the following design principles:

- present easy to use, integrated and standard interfaces
- build services, not just websites
- hold information once and securely
- use data well
- make sure the foundations work.

27. Digital transformation has underpinned many of the savings and efficiencies so far achieved, with the council converting services to be more digitally based, centralising data storage using SharePoint and making better use of data to anticipate and manage change. In 2018, the council began working with Microsoft as a business partner to maximise how it uses digital technology to improve services. Improvements made include:

- paper-based processes were digitised and customers were able to access more services online
- new cloud-based systems were procured to allow more mobile working and greater use of real time data
- a shift to a digital workplace facilitated through Microsoft Teams reduced the need for face-to-face meetings, changed communication processes and enabled more effective collaboration
- the adoption of a peer learning model with over 300 digital champions and over 30 service specific digital super champions providing training and coaching to help staff with new technology
- the chatbot, AB1, was developed to provide instant online responses to customer and staff queries including bin collections, council tax, education or staff matters such as annual leave and payroll queries.
- robotic process automation (RPA) was implemented in several service areas, including education, finance and social care to remove routine tasks, releasing capacity for staff to support front-line services.

Further efficiencies are planned through more online services and increased digital capability

28. With the adoption of TOM 1.2 in August 2022, a refreshed data strategy was approved reflecting the anticipated technologies available in the period to 2030. The Customer, Data and Digital Strategy sets out the council's aims to deliver digital and data-driven solutions to streamline and simplify services and provide further efficiencies through the provision of more online services and increased digital capability. A key objective is to encourage customers to become more self-sufficient through signposting and thus enable services to redirect spare capacity to support the more vulnerable in the community.

29. Three of the eight strategic projects set out in TOM 1.2 have a focus on digital and are dependent on the continued use of new technology to drive further improvement and efficiency:

- digital automation - take the current robotic process automation work to the next level by linking with Dynamics, Microsoft 365, and other business applications and removing manual processes
- digital system rationalisation - dated and costly software applications are to be modernised and multiple websites rationalised
- establish a digital agency - the feasibility of establishing a digital agency with other partners is being considered including a refresh of the smart cities strategy.

30. The customer, digital and data strategy has been developed alongside and aligns with, the 'Aberdeen Smart City Strategy', which describes the council's approach to harnessing digital technology and data to improve the lives of those that live in, invest in and visit the city.

Innovative technologies are creating a positive impact on productivity and service delivery

31. As part of being a 'smart city' the council introduced a large-scale Intelligent Lighting project to replace existing legacy street lighting. The council worked with partners to provide a city-wide Internet of Things (IoT) network and Central Management System (CMS) based Intelligent Lighting solution to manage and maintain over 37,000 units. A node was installed on each of the street light units which transmits data to a CMS enabling council officers to remotely control street lighting and monitor any faults.

32. In 2022, the council implemented Microsoft Dynamics 365 as its social care client relationship management tool and in doing so, reduced the number of social work systems from nine to one. Development and co-creation of the project was led by social workers who worked closely with the council's digital partner and stakeholders to bring their expertise and insights about the way social workers work into designing an online platform around their needs. In designing the system, an opportunity was created in the process for customers to be more involved in the services they receive and for managers to better use data when making decisions about delivering services to meet users' needs.

33. Dynamics 365 uses mail merge to pre-populate client data into templates for issuing to partners and suppliers and therefore enables social workers to focus more on client care and less on administrative tasks. The system is designed for use on the go, social care staff can input data and update the system while with clients or between appointments using approved devices.

34. The council developed and implemented the 'AB1 chatbot' which is an artificial intelligence (AI) digital assistant. The original AB1 chatbot was designed to simulate human conversation using pre-calculated responses to common customer questions. The recent relaunch of AB1 using generative AI allows the chatbot to learn and broaden its knowledge base and has the ability to interact with customers. We understand that the new features support multiple languages and will integrate directly with the council's new customer contact capabilities.

35. The chatbot can be used by customers and staff to assist with common enquiries about council services and to provide customers with 24 hour access to information. While there are limitations with the level of assistance that the AB1 chatbot can deal with, its implementation has freed up staff to deal with enquiries that require more specialised help.

Robotic process automation pilots have made efficiencies

36. The council has used robotic process automation (RPA) to automate several transactional processes, increasing turnaround times and reducing the amount of time spent on routine tasks. For example, the council introduced RPA for the manual process of data entry for child plans and individual education plans. In doing so, the council has estimated that approximately 18,000 hours of teachers' time was saved and the equivalent of 14 FTEs to complete the uploading of plans. The project concluded that the quantity and quality of plans had improved and teachers had more time to spend supporting children and families.

There is a structured approach to staff engagement and providing support through organisational change

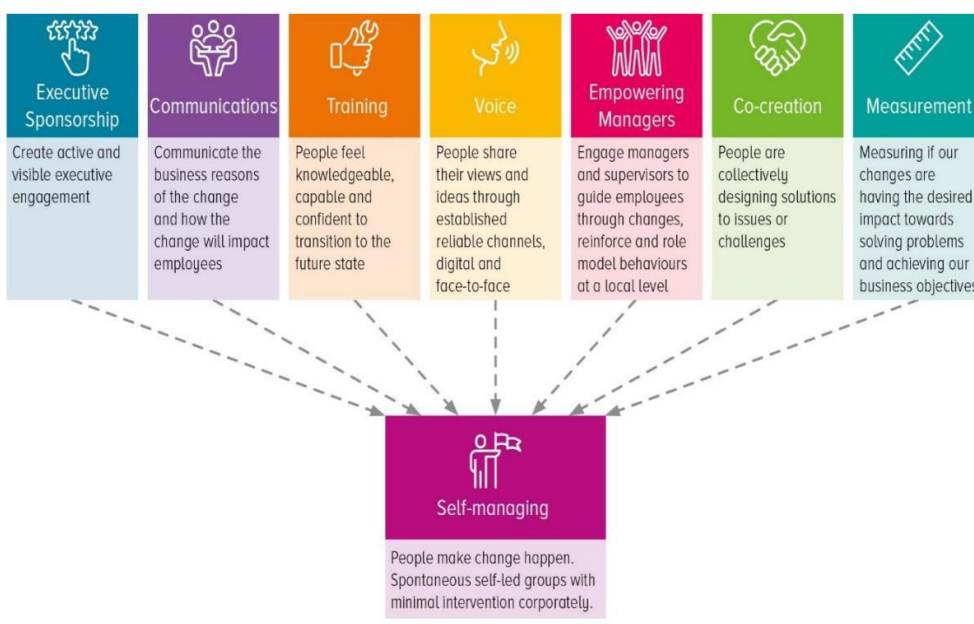
37. Employee networks play a key role in the council's approach to organisational change. The council set up a 'digital champion network' that works across business units supporting colleagues with the use of technology and explaining how the new tools can assist them in redesigning public services. The council invested in digital leadership for its Chief Officers and managers and engaged with the workforce to understand their needs to improve the adoption of technology.

38. The council's SharePoint intranet is used to cascade corporate communications to all employees including the Chief Executive's regular blog. The site also has several sub-sites which are owned by employee networks and, these include:

- Transformation hub – informs staff on progress with TOM 1.2
- Customer academy – provides information, guidance and discussion points relating to customer services
- Digital workplace - shares news and training on the council's digital resources
- Green workplace - shares knowledge, practical tips, ideas and opportunities for staff to get involved in the council's climate change and environment agenda
- Leadership forum – keeps managers informed on key developments, provides a space to get them and their teams actively involved, facilitates collaboration and provides a forum for leaders across the council to share and problem solve.
- Mental Health and Wellbeing - provides easily accessible resources and support for employees having a negative response to change.

Exhibit 1

Aberdeen City Council – Approach to Change Management



Source: Aberdeen City Council report to Staff Governance Committee (January 2023)

39. To inspire and encourage innovation, there is an online community through Viva Engage called 'Bright Sparks' where staff can submit ideas, have them upvoted by their peers and receive a corporate response. Innovation is recognised at an individual and local level through the council's appraisal process. It is also one of the award categories at the annual staff Star Awards.

40. Elected members receive regular updates on the support being provided to staff through organisational change. In January 2023, a report to the council's staff governance committee highlighted that due to the complex nature of the council, it experiences challenges in communication and engagement with staff, particularly those in frontline operational services. A new holistic approach to supporting staff through change via seven pillars was therefore recommended and approved as set out in [Exhibit 1](#).

41. An update in January 2024 confirmed that change remains a significant cause of work-related stress for staff, although it had decreased from 24 per cent to 18 per cent since 2022.

Flexible working and other innovative staff deployment

Existing flexible working practices have been extended.

Reducing staff absence and supporting employee health and wellbeing are council priorities.

Staff are actively engaged in developing options for office use.

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

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

Existing flexible working practices have been extended

44. The council has a well-established commitment to flexible working. Its 'Smarter Working' approach was introduced in 2015 and provides a framework for some staff to work flexible hours and undertake limited home working.

45. During the Covid-19 pandemic, the council was able to transition easily to home working for most staff. The council had already rolled out Microsoft Office 365 in 2019 so many staff already had the tools and the existing network of digital champions was strengthened with an enhanced train-the-trainer programme for 'Digital Super Champions' to deliver service-specific peer-based training.

46. The pandemic did however rapidly accelerate the need for workforce flexibility, with a requirement to move staff (on a voluntary basis) to areas of need across the organisation at short notice. With staff support, the council developed and implemented a temporary movement of staff scheme. This provided a protocol to enable the council to quickly move staff from areas where they were either unable to work or were not doing 'critical' work supporting the pandemic response, on a temporary basis, to areas of the organisation facing increased demand. The overriding need was to create a flexible, agile workforce able to flex in response to service need and demands.

47. In 2021, the council carried out the Future of Work Survey which had 1,800 responses. The survey results suggest the council has been broadly successful in embedding the cultural changes associated with its transformation programme, including positive results relating to aspects of leadership and communication. The results were used to inform the council's 2022 refreshed workforce strategy and the information has helped the council develop its approach to hybrid working for staff in roles that can be done remotely. In

education, where staff cannot work from home routinely, the council provides flexibility for staff to be able to complete specific duties such as training and administration tasks remotely.

48. The council now has an ethos of ‘work as an activity we do’ rather than ‘a place we go’. This is set out in their draft Smarter Working Policy and Guidance (Refer para 55)

Recommendation 1

The council has made significant progress in developing a revised Smarter Working (hybrid) approach and should now formalise the arrangements.

Reducing staff absence and supporting employee health and wellbeing are council priorities

49. Staff absence has increased in recent years, rising from an average of 5.16 days per person in calendar year 2021 to 7.29 days in 2023. As a result of the recent increase, the council refreshed its Absence Improvement Project which involves deep dive reviews of data, rolling out absence data to third tier managers and providing support and reviewing the absence management process with more focus on early intervention.

50. Psychological absence rates which includes stress, anxiety, depression and mental health are regularly the top reason for absence. During 2023/24, the rate ranged between 23.42% and 31.95% but the year concluded on 24.76%.

51. The council stated: We want all staff to be well and to thrive at work. Healthy, happy individuals are more likely to embrace change, work flexibly to help others and be creative problem solvers at work. With an emphasis on developing internal capacity and the need for flexibility and efficiency in our reducing workforce, there is a need to focus on supporting employee health and wellbeing. To do this the council agreed to:

- implement a mental health action plan
- support managers and teams to create and maintain supportive and healthy workplaces and practices that ultimately enable a reduction in absence. Hybrid working is regarded as a way of improving staff work-life balance and is therefore being used by the council as a tool for improving staff attendance
- further develop its partnership with Healthy Working Lives
- address the reasons for absence with an evidence-based sickness absence action plan.

52. The council put significant emphasis on the introduction of a Mental Health and Wellbeing Plan. Initially introduced in January 2019, the plan has been regularly refreshed and annual updates are provided to elected members. A comprehensive employee assistance programme has been implemented including the introduction of mental health first aiders across the council. In addition, the mood of staff is determined

through employee wellbeing pulse checks and through roadshows, effort has been made to keep frontline staff more informed.

Staff are actively engaged in developing options for office use

53. Through engagement with staff, the council is considering how to adapt office spaces to better suit hybrid working. New screens have already been added in meeting rooms and there are plans to reconfigure spaces to enable more collaborative working between office-based and remote-based staff.

54. The council use a Corporate Landlord model to ensure there is a consistent approach to the management of its property portfolio from a senior management level. Corporate Landlord continue to explore options for letting out surplus office space, create savings and reduce the council's carbon footprint.

55. The council is working with staff, trade unions and managers to produce a refreshed smarter working policy which meets the needs of citizens and employees. There is an emphasis on the need for teams to be engaged and make decisions collectively on where they work to ensure they can build working relationships and develop staff. The council is exploring ways to balance the expectations of staff who prefer to work from home with those of elected members and managers who prefer staff to be in the office more often.

Recommendation 1

The council has made significant progress in developing a revised Smarter Working (hybrid) approach and should now formalise the arrangements.

Developing future skills and capacity

Internal recruitment supported by learning and development is the council's preferred route for filling vacancies.

Attracting and developing more young people is increasing capacity and helping with hard-to-fill roles.

Aberdeen Health and Social Care Partnership is taking steps to reduce workforce pressures.

56. Councils need to find innovative ways to ensure they have the workforce capacity and skills they need to deliver services in the future. This is particularly challenging in a difficult financial environment when early release schemes are often deployed.

57. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to re-design jobs and/or offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

Internal recruitment supported by learning and development is the council's preferred route for filling vacancies

58. Internal recruitment is the council's preferred route for filling the majority of vacancies that arise within the council. The Establishment Control Board, chaired by the Executive Director of Corporate Services, considers all vacancies arising and ensures that recruitment is focused in areas of greatest need, whilst maintaining the council's commitment to supporting and developing the internal workforce in a flexible and agile way. The board either gives approval for vacancies to be recruited internally, roles may be converted to apprenticeships where appropriate, or a manager will have to provide justification for the vacancy to be advertised externally.

59. Internal recruitment and internal movement of staff, provides the existing workforce with opportunities for promotion, development, career transition and also supports the retention of skilled staff. A change in the size of the workforce also impacts the shape of the workforce with fewer layers of management expected in future. A reduction in hierarchy and reduced levels of authorisation reduce costs but require increased personal accountability and empowerment. Managers are asked to consider whether a required qualification is essential from day one on the job, or whether a suitable internal candidate may be able to develop on the job and be supported through learning and development to work towards the qualification.

60. In terms of internal recruitment and the internal movement of staff, the council focuses less on experience and qualifications (which can be learned) and more on the behaviours and capabilities that would ensure success in the role.

61. A Capability Framework for all employees was introduced in 2019 as part of the staff appraisal process. This sets out the knowledge, skills and behaviours required for all employees. Employees are asked to self-assess themselves against the capabilities as part of their annual End of Year Review.

62. In 2023, elected members approved a new process to group all job roles into one of seven job families with revised capability frameworks tailored to the skills and behaviours typical of these roles, and the content updated to align with the requirements of TOM 1.2. Each job family also has a development framework which sets out types of development and allows employees to identify career pathways as they can self-direct learning.

63. For the People Manager Job Family, the council has a leadership and management development framework with four key programmes to support people at all stages of their management career:

- People Management – foundation programme for new and existing managers to ensure good management basics are in place
- Inspiring Leaders – an advanced programme to stretch and inspire
- Aspiring Leaders – a cohort-based development programme for aspiring leaders to support succession planning, talent retention and development
- Chief Officer development – designed specifically for Extended Corporate Management Team

64. The council is also seeking to improve on diversity at leadership level in the organisation. An 'Accelerator Scheme' has been developed to coincide with leadership and management development programmes and offers additional support and positive action for those with protected characteristics.

65. The Aspiring Leaders programme is one option in the council's framework. The 2023 programme focused on Chief Officers as a hard-to-fill post and provided a year-long programme of intensive development for fourteen candidates who were supported by their own Chief Officers as part of their Cluster's succession plan. By April 2024, three candidates had successfully progressed into Chief Officer roles across the council and the health and social care partnership.

66. The 2024 programme, launched in June 2024, is aimed at developing candidates who are looking to make the first step into leadership and management. The 2024 Aspiring Leaders programme was advertised alongside the Accelerator Scheme. Of the 53 candidates who have applied for the programme, 28 have requested their application to be considered under the Accelerator Scheme.

67. The council also seeks to develop the capabilities of its leadership team through a Leadership Forum (Para 38). There is a digital platform and network of over 600 leaders across the council aiming to keep leaders informed. Over the past 12 months, the Forum has run events on a range of topics including:

- organisational change and design
- the council's financial position

- climate change, net zero and carbon budgeting
- City Centre and Beach Masterplan
- equalities and inclusion
- Smarter Working

Attracting and developing more young people is increasing capacity and helping with hard-to-fill roles

68. The council has operated a modern apprenticeship programme for several years, and in 2019, it expanded the apprenticeship programme from the traditional trade apprenticeships to include organisation-wide roles and including foundation apprentice work placements and graduate apprenticeships. Since 2019, 158 modern apprentices have been appointed of which 60 (at June 2024) have completed their apprenticeships and secured either permanent or fixed-term roles within the council, with a further eight holding Relief Worker roles. In recent years, modern apprentices have been appointed into a range of new roles including social care, building standards, pensions administration and early learning and childcare. In 2023, the council had 30 modern apprentices split between new roles 21 and traditional trades 9. This was fairly comparable with 2022 when there were 42 apprentices split 26 and 16 respectively.

69. Through the graduate apprenticeship scheme, existing staff have the opportunity to undertake an undergraduate degree at Robert Gordon University or Dundee University whilst remaining in their existing role. Since the programme started in 2018, 33 employees have taken up the opportunity with six having completed their degree.

70. Officers across services are working collaboratively to create job and career opportunities for individuals in communities that face additional barriers to employment. This has included people who are unemployed or at risk of long-term unemployment and engagement with HMP Grampian to develop a supported employability programme to support those leaving prison into employment. These initiatives are linked with the council's hard to fill vacancies.

71. Another initiative to support care-experienced young people into employment, and target hard to fill vacancies and capacity issues, has been the development of a pilot internship programme. This commenced in 2023, 14 young people were matched to a job area they were interested before going on to complete an internship across a range of services. As part of the council's guaranteed interview scheme, these young people are eligible for a guaranteed interview at the end of the internship for an apprenticeship or job vacancy with the council. A number of the young people have gone on to secure employment with the council and a second cohort of internships is underway with a further 15 care experienced young people.

72. The council has introduced an Employability Pathway programme as phase one of the ABZ Campus, which is a collaboration across secondary schools, partner organisations and the council to broaden the curriculum offered. The pilot programme in 2023/24 offered ten S4 pupils in two academies a chance to attend a range of key skills workshops to prepare them for work and then be matched to a job area in the council to undertake a supported work placement with the right to have a guaranteed job interview.

73. In 2020, the council achieved gold standard in its Investors In Young People accreditation which demonstrates a commitment to attract young people into employment and to provide support and development in their employment. In addition, in 2021, the council became a Young Person's Guarantee Employer.

74. The council maintains a log of hard-to-fill roles and is constantly seeking new initiatives to fill such roles. There is also a focus on transferring skills from areas of reducing demand to increasing demand through upskilling. There are examples within the council of staff retraining as teachers and early years practitioners.

Aberdeen Health and Social Care Partnership is taking steps to reduce workforce pressures

75. In order to deliver its priorities, Aberdeen Health and Social Care Partnership (HSCP) has a Workforce Oversight Group. Membership includes the council's People & Organisational Development team who provide support and ensure that the plan aligns with the council's Workforce Delivery Plan.

76. Aberdeen HSCP are experiencing issues with the recruitment and retention of social workers and social care staff, as well as an ageing workforce. Social Work undertook a succession planning exercise to combat the potential loss of a number of leaders over the coming years. For instance, within residential services, to ensure it has the key skills to match posts, succession planning included realigning job roles and the qualification pathway which has allowed progression to promoted posts with the most relevant qualifications, skills and knowledge.

77. In Adult and Justice Social Work, significant recruitment activity was undertaken using available Scottish Government funding to increase adult social work capacity. A recruitment campaign was carried out using generic social work adverts and aligning staff depending on skills and experience. This resulted in an increase in headcount and a reduction in vacancy levels.

78. In November 2023, the HSCP hosted a recruitment fair targeted at entry-level jobs with 18 stall holders from services across the partnership sharing information on their services and vacancies. Three hundred people attended and initial feedback suggested that 100 applications were submitted on the day for social care posts. There are plans to hold further fairs on a six monthly basis.

Joint workforce arrangements across services and partners

The council works well in partnership with a range of organisations and has some well established examples of shared service arrangements.

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

80. There is good evidence of partnership working between the council and its partners. For example, it is working with neighbouring authorities to progress the Aberdeen City Region Deal, Aberdeen City Health and Social Care Partnership and other shared services.

The council works well in partnership with a range of organisations to support the local economy

81. The City Region Deal involves investment of £826 million over a ten year period. Most of the funding has been provided by regional partners including Scottish Enterprise and the private sector and is being invested on a range of projects and initiatives to diversify the local economy. More recently, the council has also entered a joint venture with BP to develop hydrogen in the city.

The council has some well established examples of shared service arrangements

82. Aberdeen City Council, Aberdeenshire Council and Highland Council established a shared commercial and procurement service in 2017. Aberdeen City and Aberdeenshire Councils already shared procurement arrangements for a number of years prior to this. The councils published a Joint Procurement Strategy in 2023 covering a three-year period. A Strategic Procurement Board is in place and is responsible for delivering the outcomes set out in the strategy and for the service level agreement between the partners to the joint arrangement. Collaborative procurement arrangements are identified to generate best value and efficiencies across each of the three partner councils.

83. In 2015, the council agreed to work with Aberdeenshire and Moray Councils to secure a long-term waste management solution for the north-east. The NESS Energy Project located in Aberdeen is an energy from waste facility aiming to process about 150,000 tonnes of municipal solid waste each year and generate electricity for the national grid and heat for a district heating network. The plant became fully operational in December 2023 and so it is too early to assess whether performance targets are being achieved.

84. The council's internal audit service is provided by the chief internal auditor of Aberdeenshire Council under a shared service arrangement. This arrangement has been in place for around ten years and works well.

The council commissions services from a range of ALEOs

85. The council uses a wide range of arm's-length external organisations (ALEOs) to deliver services on its behalf. The ALEO Assurance Hub monitors aspects of the operations of the ALEOs, focusing on risk management, financial management and governance. The Hub is also provided with assurance that workforce related risks identified by each ALEO are mitigated effectively through succession planning, current and future resource requirements and staff development programmes to facilitate recruitment and retention of staff. ALEO assurances are also reported to the Audit, Risk and Scrutiny Committee twice a year.

Measuring the impact of workforce planning

The council actively monitors progress with its workforce plan and provides regular reports on priority areas to elected members.

A workforce dashboard is evolving providing managers with real-time data. This can trigger deep dives to better understand the data and target corrective action.

The impact of change on staff is regularly monitored.

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

The council actively monitors progress with its workforce plan and provides regular reports on priority areas to elected members.

87. In overall terms, the council's Annual Review provides an overview of progress made in implementing the council's priorities. These are set out as commissioning intentions and service standards in the Council Delivery Plan. The delivery plan also shows measures for each of the commissioning intentions and the annual review highlights progress against many of these measures.

88. The workforce delivery plan sets out the intended actions to deliver the council's workforce strategy. There are annual updates to the Staff Governance Committee on progress in the following key delivery areas:

- progress made on the Employee Mental Health Action Plan
- monitoring of sickness absence levels and categories of sickness – rising absence levels has led to further improvement actions including deep dive data reviews, sharing absence data to third tier managers and providing additional support to services to identify preventative measures.
- occupational health activity including referrals and outcomes
- monitoring progress on developing a young workforce including statistics
- Leadership and Management Development

A workforce dashboard is evolving providing managers with real-time data. This can trigger deep dives to better understand the data and target corrective action.

89. The council has developed a Power BI dashboard for workforce data which provides real-time data to managers. For example, this includes budget and actual establishment numbers with costs, vacancies, staff turnover, mandatory training compliance, sickness absence and the status of cases e.g. performance management, grievances etc. Work on the dashboard will continue to evolve as it expands.

Impact of change on staff is regularly monitored

90. The council has implemented significant change since 2017 which has led to improvements in communications and provided different learning and development opportunities. A range of techniques and tools have been used to gather information on a range of topics. For example:

- Tools - face to face discovery workshops; information roadshows; webinars and Q&A sessions; online surveys; Viva Engage (previously called Yammer) polls and comments; and comment and feedback on intranet posts.
- Topics – ways of working including hybrid working; mental health and wellbeing; how change is experienced, led and managed; and equalities and diversity.

91. In addition, the council run a number of pulse surveys to check in on how staff are feeling. The Future of Work survey was undertaken in 2021 and discussions are currently ongoing about whether a wider follow up survey is required at the moment. In the meantime, the next pulse survey is scheduled for December 2024 and will be a themed survey on 'wellbeing'.

92. Elements of change are monitored by the council including percentage of staff who feel well connected, number of managers taking up development opportunities etc. Each service cluster is required to complete a workforce development plan which is submitted to People and Citizen Services. This sets out the development requirements identified as necessary for staff and will therefore be monitored through delivery of the plan but also through individual staff performance meetings.

93. The main aims of the transformation programme include improved use of digital services and a reduction in transactional work over time, thereby creating more capacity in the workforce. The work of digital champions is therefore monitored including digital adoption figures and the numbers and content of queries being raised by staff and service users.

Recommendation 2

With regard to the council's change and transformation plans, there is scope to consider service improvements and lessons learnt ,quantify the savings and

efficiencies identified from workforce and digital delivery plans and assess whether the outcomes were as expected. In turn, these assessments should further inform future transformation plans (including workforce digital plans).

Appendix 1

Improvement Action plan

| Issue/risk | Recommendation | Agreed management action/timing |
|--|--|--|
| <p>1. Hybrid working arrangements</p> <p>The council's approach to hybrid working has been developed and needs to be formalised. This should restrict the differences between staff who wish to work remotely and managers who would prefer them to be more onsite.</p> | <p>The council has made significant progress in developing a revised hybrid working approach and should now formalise the arrangements.</p> | <p>Agreed – a revised Smarter Working Policy and Guidance is due to be considered by the Staff Governance Committee In November 2024</p> |
| <p>2. Impact of workforce planning</p> <p>While there are regular progress reports on workforce delivery plan workstreams, there is limited reporting to demonstrate the wider impact of workforce and digital innovation.</p> | <p>With regard to the council's change and transformation plans, there is scope to consider service improvements and lessons learnt, quantify the savings and efficiencies identified from workforce and digital delivery plans and assess whether the outcomes were as expected. In turn, these assessments should further inform future transformation delivery plans (including workforce digital plans).</p> | <p>Agreed in principle – format being discussed/considered further with auditor.</p> |

Workforce innovation - how councils are responding to workforce challenges

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