

REPORT TO: Cabinet

MEETING DATE: 12 June 2018

BY: Chief Executive

SUBJECT: East Lothian Council Workforce Plan 2018-2022

1 PURPOSE

- 1.1 To present the East Lothian Council Workforce Plan 2018-2022 to Cabinet for approval.

2 RECOMMENDATIONS

Cabinet is recommended to:

- 2.1 Approve the East Lothian Council Workforce Plan 2018-2022.
- 2.2 Note that the HR service and Organisational Development team are developing action plans to take forward and implement the 38 actions detailed in the Plan and that they will continue to engage with, and consult, Council Trade Unions and staff in developing and delivering these plans and their actions.
- 2.3 Note that progress in implementing the Workforce Plan will be reported to Council via the Annual Performance Report.

3 BACKGROUND

- 3.1 The 2017 Council Plan includes a commitment that the Council will adopt a Workforce Plan. The Workforce Plan, which replaces the 2012-2015 People Strategy, aims to support the Council to achieve the vision and ambitions set out in the 2017-2022 Council Plan and address the challenges it faces by providing a coherent and consistent approach to ensuring a skilled, flexible, high performing, motivated, and well managed workforce. Our staff are our greatest asset and the Plan sets out how the Council and its staff will continue to work together to respond to the challenges we face in achieving our vision.

- 3.2 The development of the Plan has been informed by the following research:
- A review of the context and drivers of change that impact on the Council's workforce
 - An analysis of the current council workforce profile to identify key factors and trends
 - A survey of all Service Managers that identified key trends, challenges and desired actions at both Council and service levels.
- 3.3 The outcomes of the analysis of current and future needs and the self-evaluation were used to identify the gaps that need to be addressed in the strategy that forms the basis of the workforce plan.
- 3.4 A draft plan was prepared in five sections:
1. Introduction
 2. Where are we now? East Lothian Council's workforce profile
 3. What is driving the change? Analysis of future needs
 4. Where do we want to get to? Analysis of the gaps
 5. How are we going to get there? The Plan
- 3.5 The Plan is based around three themes:
- Sustain a skilled, flexible, high performing and motivated workforce
 - Support and initiate transformational change
 - Build and sustain leadership and management capacity.
- 3.6 The draft plan (the full version and a 12-page summary) formed the basis of a staff consultation exercise (on-line survey) and consultation with Council Trade Unions. Only 34 staff responded to the on-line survey and this low response means that we cannot draw out statistically relevant conclusions. However, the survey showed almost 80% of respondents strongly agreed (29%) or agreed (50%) with the draft Plan's Workforce Vision whilst only 18% disagreed (12%) or strongly disagreed (6%).
- 3.7 Respondents were asked to comment on the context, themes and actions set out in the draft Plan and were also given the opportunity to provide any further comments. Twenty respondents took the opportunity to provide comments on the draft Plan. There were no objections to the three themes established by the draft Plan and there were very few specific comments on the 38 actions listed in the draft Plan.
- 3.8 Council officers met with the Joint Trade Unions to discuss the draft Plan and receive their response. The Trade Unions generally supported the

Workforce Vision and provided some comments on the Plan. The Trade Unions intimated that they do not support the proposal to review Council Terms and Conditions

- 3.9 It should be noted that the Plan's analysis of future needs and gaps and the proposed actions already take into account many of the issues raised by respondents to the consultation and the Trade Unions.
- 3.10 Following the consultation exercise the draft Plan has been amended and the final Plan (Appendix 1) is brought to Cabinet for approval.
- 3.11 It should also be noted that work to take forward some of the actions detailed in the Plan has already begun. For example:
- the HR service has begun drafting a Professional Development Scheme
 - the Council Management Team recently approved a proposal to increase support for Healthy Working Lives with a renewed focus on mental health
 - the Organisational Development (OD) Team is developed a staff resilience training programme
 - the 2018 employee engagement survey will focus on staff health and Wellbeing
 - the HR service has begun the review of the Managing Attendance Policy in line with the decision of Cabinet (8/11/16) to review the Policy after one full year of operation.
- 3.12 The HR service and OD team have already begun work on putting the 38 actions in the Plan into SMART action plans which will show how the Plan is to be delivered over the next four year. These Plans and the delivery of key actions will be the subject of further communication with staff and consultation with Trade Unions.
- 3.13 As stated in the Plan itself, the implementation of the Plan and its actions will rely on continuing positive partnership between the Council, its staff and Trade Unions.

4 POLICY IMPLICATIONS

- 4.1 The adoption of the Workforce Plan fulfils a commitment in the 2017 Council Plan and aims to support the Council in achieving the vision and objectives set out in the Plan.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy. However, some of the actions arising from the Plan may impact on the wellbeing of community and have an impact on equality and would subject to impact assessments.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – there are no direct financial implications arising from adoption of the Plan. Any actions arising from adoption of the Plan that have financial implications will be reported on separately if required (i.e. if the result in a change in Council policy or require amendments to the Council budget).
- 6.2 Personnel – there are no direct personnel implications arising from adoption of the Plan. Any actions arising from adoption of the Plan that have personnel implications will be reported on separately if required (i.e. if they result in a change in Council policy).
- 6.3 Other – none.

7 BACKGROUND PAPERS

- 7.1 East Lothian Council Workforce Plan 2018-2022

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East Lothian Council Workforce Plan 2018 -2022

**FINAL DRAFT
May 2018**

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1. Introduction

East Lothian Council is striving to ensure the county is even more prosperous, safe and sustainable, with a dynamic and thriving economy that enables our people and communities to flourish.

The East Lothian Council Plan 2017-2022 continues the journey towards realising the East Lothian vision by building on the ambition and achievements of the previous Council Plan, taking account of the challenges and new opportunities faced by the Council.

The plan sets out four key themes and objectives:

Growing our Economy – to increase sustainable and inclusive economic growth as the basis for a more prosperous East Lothian.

Growing our People – to give our children the best start in life and protect vulnerable and older people.

Growing our Communities – to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish.

Growing our Capacity – to deliver excellent services as effectively and efficiently as possible within our limited resources.

It has an overarching objective: ***Reducing inequalities within and across our communities.***

The Council has a sound foundation, not least the commitment of its staff, and exciting new opportunities to exploit. However it faces significant challenges in achieving the vision and objectives, which as shown in chapter 2 below, can be summarised as growing demand for services whilst budgets are reducing in real terms – having to ‘do more with less’ by doing things differently, more effectively and more efficiently. The Council Plan is based on the understanding that East Lothian Council cannot address the diverse needs of our population on its own. At the heart of the Plan is the concept that the Council and the people and communities of East Lothian can best deliver these solutions in partnership – ‘working together for a better East Lothian’. Therefore, the Council Plan states that over the next five years, the Council will increasingly become:

- an enabling and empowering authority that works with its citizens and communities, the business and third sectors and other public sector partners to deliver the solutions that work best for East Lothian
- a more entrepreneurial authority, developing new ways of ensuring services are provided in the most effective and efficient way possible
- a ‘digital’ authority, fully embracing and exploiting opportunities to use technology to deliver services.

The Council is already a well performing council that, with the support and commitment of its staff has responded well to recent challenges, but we are ambitious to improve further, from being good to becoming excellent. Striving to achieve the Council vision, meet the challenges of reducing budgets and growing demand and our continued transformation in the way the Council delivers services and interacts with its communities will have a major impact on the Council's workforce.

In recognition of this, the Council Plan states that:

"In order to deliver the ambitious agenda set out in this Plan the Council must continue to grow its capacity to ensure it delivers excellent services as effectively and efficiently as possible.

"It will continue to focus on its staff who must be capable, flexible, responsive, and focussed on productivity. Therefore the Council will adopt a Workforce Plan, incorporating a Workforce Development Plan that will ensure that it has the right people with the right knowledge, skills and behaviours deployed appropriately to deliver this Council Plan. In order to achieve the developments and improvements sought the Council will continue to work in partnership with the trade unions representing Council staff."

The commitment of Council staff to the Council's vision and to delivering high quality services is well recognised by the Council and external agencies. For example, the Council's Investor in People assessment stated that our staff "are passionate about delivering the best service possible for the Customer."

This Workforce Plan, which replaces the 2012-2015 People Strategy, aims to support the Council to achieve the vision and ambitions set out in the 2017-2022 Council Plan and address the challenges it faces by providing a coherent and consistent approach to ensuring a skilled, flexible, high performing, motivated, and well managed workforce. Our staff are our greatest asset and the Plan sets out how the Council and its staff will continue to work together to respond to the challenges we face in achieving our vision.

The Workforce Plan forms a key part of the Council's organisational, service and resource planning activities (including the Financial Strategy) to support the delivery of the Council vision and strategic objectives. This Plan will support the achievement of the ongoing transformation programme that is central to delivering the changes required – helping to ensure we have the right people with the right knowledge and skills in the right place at the right time. It will be key to ensuring the Council makes informed decisions about our employees, Human Relations policies and organisational development and training plans.

This plan will be highly visible and clearly communicated to all employees as part of the communications strategy that allows all employees to understand the key objectives of the Council and their role in delivering the Council Plan. The Plan reflects continuing and growing investment in the workforce. Its implementation will rely on continuing positive partnership between the Council, its staff and the Trade Unions.

Workforce Vision and Values

The Workforce Plan is based on the vision that

East Lothian Council will be an employer of choice and our staff will:

- *have the skills, knowledge, experience and motivation to deliver the highest quality services*
- *be flexible and adaptable around our changing organisational needs*
- *be resilient to change and instigate, as well as adapt to, changes in service delivery*
- *be satisfied and engaged and feel safe at work*
- *work in partnership across all services and with the Council's partners and communities to effectively deliver essential services and outcomes*
- *feel valued and recognised for the contribution they make to achieving the Council's vision and objectives*
- *be supported, empowered and trusted*
- *take personal responsibility and ownership to be effective in their jobs.*

The Council's commitment to being an employer of choice is evidenced by its attainment of various external awards and accreditations such as Investor in People, Investor in Young People, Healthy Working Lives and Recognised for Excellence and its pay and terms and conditions package, which aim to make the Council a competitive employer in East Lothian's employment marketplace.

In addition, the Council has a well established set of staff values and behaviours. These are known as **the East Lothian Way**:

- **Focus on service** – putting the customer first; providing excellent customer service and, contributing to improvements in service.
- **Initiate solutions** – striving for excellence; taking personal responsibility and ownership to be effective in our jobs.
- **Deliver outstanding results** – taking responsibility; seeing tasks through to successful completion.
- **Explore the bigger picture** – understanding how our daily activities help to achieve the Council's vision and priorities; working together for a better East Lothian
- **Share knowledge** – demonstrating regular and effective team working; being open and honest.

How the Plan was Developed

This Workforce Plan was developed using a Workforce Planning Model as set out below. The Plan is structured around four questions and four sections:

Section 2 – Where are we now? East Lothian Council’s workforce profile

Section 3 – What is driving the change? Analysis of future needs

Section 4 – Where do we want to get to? Analysis of the gaps

Section 5 – What do we need to do to get there? The Plan

Workforce Planning Model



The development of the Plan has been informed by the following research:

- A review of the context and drivers of change that impact on the Council’s workforce
- An analysis of the current council workforce profile to identify key factors and trends
- A survey of all Service Managers that identified key trends, challenges and desired actions at both Council and service levels.

A draft of the Plan formed the basis of a staff consultation exercise and consultation with Council Trade Unions.

Self-evaluation and external assessment are key parts of East Lothian Council's continuous improvement framework. In this context Audit Scotland's People Management Best Value Toolkit was used to benchmark current HR and organisational development policies and processes to identify areas for improvement and further development through the Workforce Plan. Also, the improvement actions arising from the Council's Employee Engagement Survey, and the recommendations made through the Council's Investors in People assessment (March 2017) and Investors in Young People assessment (October 2017) have been incorporated into the Plan.

The outcomes of the analysis of current and future needs and the self-evaluation were used to identify the gaps that need to be addressed in the strategy that forms the basis of the workforce plan.

These have been brought together under three themes:

- Sustain a skilled, flexible, high performing and motivated workforce
- Support and initiate transformational change
- Build and sustain leadership and management capacity.

Following adoption of the Plan a detailed action plan, following the SMART (specific, measurable, attainable, realistic, timely) principles, will be prepared detailing how the Plan will be implemented, by whom and with defined timescales.

2. Where are we now? East Lothian Council's workforce profile

A detailed analysis of the Council's workforce has been undertaken using information extracted from the HR & Payroll system CHRIS 21, as at 31 August 2017, unless otherwise stated.

The Wage Bill

The Council revenue budget 2017/18 (excluding Housing Revenue Account) was approximately £233m. Just over 65% of the Council's expenditure – c.£150m – is accounted for by the Council's wage bill – salaries and on-costs such as pension contributions.

Headcount

The Council employs 4,865 staff¹. This equates to 3,538 full-time equivalents employees.

Three service areas account for 80% of Council staff. The largest proportion of staff (41%) are in Education, followed by Infrastructure, including roads, amenity services and facilities (23%) and the Health and Social Care Partnership, including adult and older people's care services and children's services (16%).

Workforce by Contract

80% of the Council's workforce is on a permanent contract; 11% are on temporary contracts and 9% are casual staff. It should be noted that some staff shown as being on a temporary contract may be permanent employees who have a temporary contract for a number of reasons such as acting up, internal secondment or redeployment to a location that is not their stated place of work.

Just under 50% of the Council's workforce are full-time employees and just over 50% are part-time (41.8%) and casual/ relief staff (9.3%).

¹ Most of the data used in the workforce profile is from December 2017

Table 1: Contracts by contract type and gender

	FEMALE			MALE			Female Total	Male Total	Total
	Perm	Temp	Casual/Relief	Perm	Temp	Casual/Relief			
Full Time	1185	137		987	69		1322	1056	2378
Part Time	1529	292		176	39		1821	215	2036
Casual/Relief			344			107	344	107	451
Total	2714	429	344	1163	108	107	3487	1378	4865
% Gender	78%	12%	10%	84%	8%	8%			
% Council	56%	9%	7%	24%	2%	2%	72%	28%	

The part-time workforce is predominantly female and the percentages of part-time working across the Service areas are:

- 78% Health and Social Care Access & Older People
 - predominantly home care workers and those working within care homes
- 49% Education
 - the majority of staff (55.5%) within Primary Schools are part time, and 38% of Secondary school staff are part time
- 49% Communities & Partnerships
 - the majority of these work within Customer Services including libraries, customer offices and museums
- 42% Infrastructure
 - the majority of these work within Facilities Services, where 90% of the workforce is part time
- 30% Health and Social Care Planning & Performance
- 30% Health and Social Care Children & Adults
- 30% Council Resources
- 30% Development.

A total of 592 (12%) employees hold two or more posts with the Council. (see Table 2)

The largest number of additional contracts are for supply teachers, cleaners, and youth workers. The top ten posts with additional contracts across the council are shown in the following table. (see Table 3)

Table 2: Number of staff with multiple contracts

Employees with Additional Contracts	Number of Contracts
492	2
78	3
18	4
3	5
1	6

Most of the multiple postholders with three or more part-time posts have posts within the same service but in different work roles and locations. The Council manages multiple posts/holders within relevant employment legislation, taking account of the working time regulation and health and safety obligations.

Table 3: Top ten types of posts with multiple contracts

Job Title	Total
Supply Teacher - Short Term	145
Cleaner	77
Youth Worker	75
Supply ASN Auxiliary	38
Supply Classroom Assistant	29
Playground Supervisor	25
Caretaker	21
Dining Room Supervisor	17
Customer Services Assistant	15
Adult Learning Tutor	14

Workforce by Gender

Seventy two percent of the Council's workforce is female. The majority of female staff are part-time – 62% part-time and casual/ relief staff compared to 38% full-time. Within Infrastructure the gender profile is very different, with 64% of employees being male accounting for 44% of the Council's male workforce. The majority of these are employed as Road Workers, Waste Operatives, Mechanics, Amenity Operatives, and Caretakers.

A review of applications received for similar posts advertised, traditionally considered to be typically 'Male' have seen an increase in woman applying for posts and being the successful applicant. The 17 posts advertised between November 2016 and November 2017 attracted 825 applicants, 68 female and 757 male, with contracts being offered to 5 females and 12 males.

Over three quarters (76.5%) of male staff are full-time and only 23.5% are part-time and casual/ relief staff.

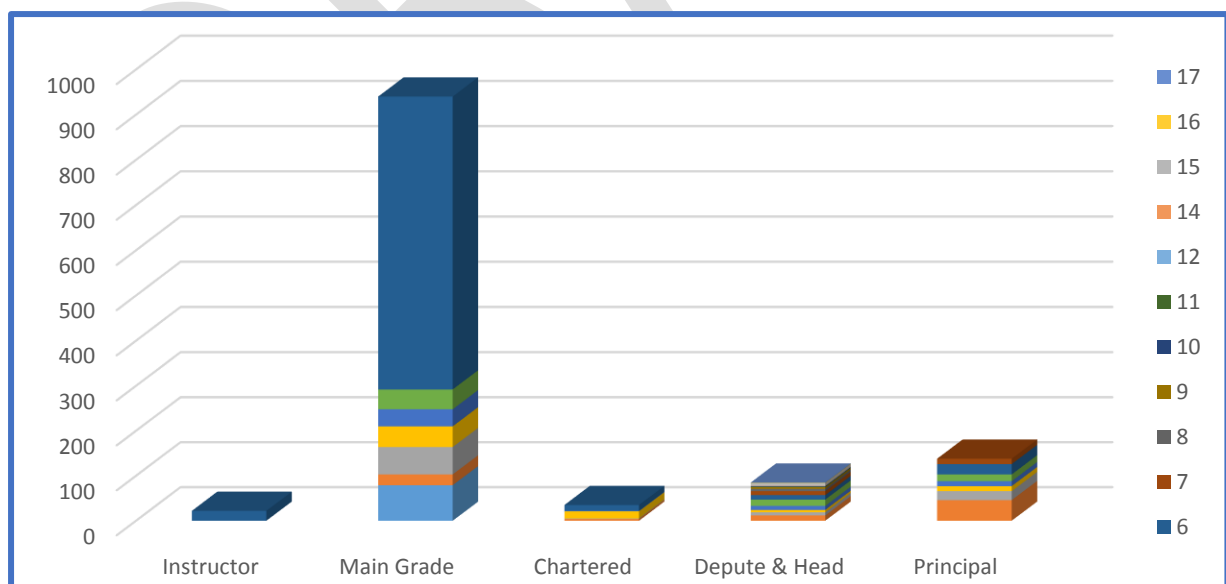
Table 4: Gender breakdown of permanent and temporary staff

Service Area	FEMALE			MALE			Total
	Perm	Temp	Casual / Relief	Perm	Temp	Casual / Relief	
Chief Executive	1	0	0	0	0	0	1
Communities & Part'ships	257	44	63	79	15	34	492
Council Resources	238	23	9	65	1	0	336
Development	62	25	9	76	9	2	183
Education	1265	290	202	231	42	21	2051
HS Access & Older People	315	3	31	18	2	1	370
HS Children & Adults	185	11	14	72	1	6	289
HS Planning & Perf	43	10	0	8	2	0	63
Infrastructure	346	23	16	611	36	43	1075
Internal Audit	2	0	0	3	0	0	5
Total	2714	429	344	1163	108	107	4865

Workforce by Grades

Around a quarter of all Council staff are teachers. The diagram below indicates the spread of grades across the Teachers Spinal Column Points (nationally determined grading structure).

Diagram 1: Teaching posts by grade



The largest proportion of staff on Local Government Employee (LGE)² grades (i.e staff excluding teachers) is Grade 4 (15% of total Council headcount; 21.5% of LGE staff).

Table 5: Percentage of workers by grade

Grade	Total	% Workforce	% Pay Scale
Main Grade Teacher	943	19.38%	76.05%
Principal Teacher	139	2.86%	11.21%
Depute & Head Teacher	85	1.75%	6.85%
Chartered Teacher	35	0.72%	2.82%
Instructor	22	0.45%	1.77%
Psychologist	7	0.14%	0.56%
Education Support Officer	4	0.08%	0.32%
Quality Improvement Officer	3	0.06%	0.24%
Quality Improvement Manager	1	0.02%	0.08%
Senior Psychologist	1	0.02%	0.08%
LGE Grade 4	741	15.23%	21.50%
LGE Grade 6	617	12.68%	17.90%
LGE Grade 7	480	9.87%	13.93%
LGE Grade 5	375	7.71%	10.88%
LGE Grade 8	311	6.39%	9.02%
LGE Grade 9	278	5.71%	8.06%
LGE Grade 3	179	3.68%	5.19%
LGE Grade 10	167	3.43%	4.84%
LGE Grade 1	128	2.63%	3.71%
LGE Grade 11	71	1.46%	2.06%
LGE Grade 2	37	0.76%	1.07%
LGE Grade 13	24	0.49%	0.70%
LGE Grade 12	19	0.39%	0.55%
Chief Officer	8	0.16%	0.23%
Modern Apprentice	7	0.14%	0.20%
Trainee LGE	4	0.08%	0.12%
Chief Executive	1	0.02%	0.03%
Craft Grade 2	84	1.73%	52.17%
Craft Grade 3	59	1.21%	36.65%
Apprentice CW	12	0.25%	7.45%
Craft Grade 1	6	0.12%	3.73%
ELVOS	15	0.31%	
Secondment	2	0.04%	
Total	4865		

² The LGE pay and grading structure is locally determined taking account of the national Job Evaluation Scheme.

Staff in Grade 4 posts are predominantly in front line roles, including a variety of posts in facilities management (cleaning and catering staff), customer services, school auxiliary, classroom assistant and amenities services. The 2017/18 salary band for Grade 4 is £16,187 to £17,683. Ten percent of LGE staff, predominantly female, part-time employees are on Grade 1, 2 or 3. The introduction of the Living Wage in 2012 has had a positive impact on these groups of employees.

Workforce by Age

As is shown in Table 6 over half of the council workforce is aged 46 and over. The average age of a Council employee is 48. Only 22% of Council employees are aged 16 – 35, compared to 23% who are aged 56 and over. Almost a third of council employees are in the 46-55 years of age band.

Table 6: Council workforce by age

Age Group	% Headcount	% Permanent Staff
16-25	5.6%	3.2%
26-35	16.4%	15.3%
36-45	22.3%	22.0%
46-55	32.6%	34.8%
56-65	20.9%	23.0%
>66	2.2%	1.8%

The age profile of the workforce was identified by the Council in 2014/15 as a challenge as only 4.8% of its workforce was aged 16 – 25. The Council took steps to attempt to re-balance the age profile and increase the proportion of younger staff. Initiatives to increase youth employment have included the development of trainee posts, graduate internships and a Modern Apprentice programme. These initiatives have resulted in a small but important increase in the youngest age cohort to 5.6% of the Council workforce.

Sickness Absence

Two methods of measuring sickness absence are used, both of which show similar trends over the last five years – a significant increase in 2014/15, followed by small reductions in the following two years.

Table 7: Sickness Absence - % of staff absent (all staff)

Year	% Absence
2012/13	4.76%
2013/14	4.60%
2014/15	5.29%
2015/16	5.17%
2016/17	5.16%

The other indicator that can be used is the % sickness absence days by employment group (Table 8). This is the national indicator used by the Local Government Benchmarking Framework (LGBF) which is published annually by the Improvement Service to provide comparison across local authorities.

Table 8: Sickness Absence (LGBF measure) – sickness absence days³

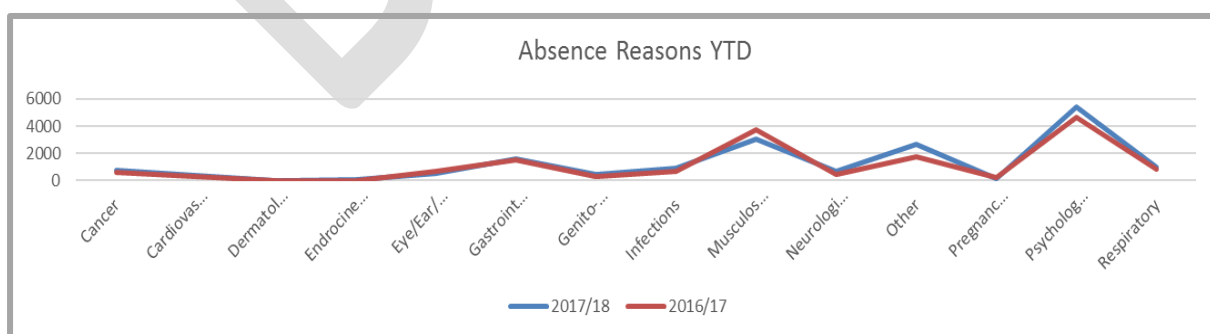
	Teachers	Non- teachers
2014/15	8.3%	11.1%
2015/16	7.0%	10.8%
2016/17	7.4%	10.75%

The Council’s ranking amongst Scottish Councils for absence amongst non-teaching staff improved from being in the 3rd quartile in 2015/16 to the 2nd quartile in 2016/17 (from being ranked 20th to 13th) but for teaching staff went from the 3rd quartile to 4th quartile (from 26th to 28th).

The focus of the Council has been to improve attendance management figures across both groups and a review of best practice in public and private sectors through the CIPD, Xpert HR, NHS and Gov.UK websites was conducted. This has shown that East Lothian Council employ the majority of initiatives and best practices recognised to promote employee health and wellbeing and which have been shown to reduce the likelihood of illness. These include Healthy Working Lives calendar of events, reduced cost massage, podiatry and physiotherapy and an independently provided Occupational Health Service and Employee Assistance Programme which is cited as effective in helping to prevent and tackle absence and support rehabilitation to work for returners.

To support these initiatives there has been a focus on attendance management with the introduction of a revised Attendance Management Policy in January 2017 combined with line manager and employee awareness sessions rolled out across the Council.

Diagram 3: Reasons for sickness absence



Analysis of the absence data for the first six months of 2017/18 (number of days absence) showed Stress/ Anxiety / Depression as the main absence reason

³ For the purposes of sickness reporting a 'day' equates to the employee’s contractual working hours whether that be 2 hours or 7 hours – both equate to a day

across all age groups (apart from the over 65 year olds). Other common reasons for absence across all age groups were backache/ sciatica, bereavement reaction, and post operative recovery.

Further analysis is being carried out on other aspects of sickness absence such as length of absence (short-term and long-term) to support the implementation and monitoring of the Council's Absence Management Policy and further develop the Council's Healthy Working Lives initiative to support staff improve their health and wellbeing.

Overtime and Agency Workers

In 2016/17 the total spend on overtime payments was £2,794,037. Annual equal pay reviews carried since 2010 shows a continuing trend of the majority of overtime is worked by women at flat rates due to the part time nature of the majority of their contracts. The premium overtime rate (time and a half) applies once an employee has worked the fulltime equivalent hours for a post.

The Council spent a total of £1,490,348 on Agency staff in 2016/17, broken down across the Service Areas as shown in Table 10.

Not including contractual overtime the use of overtime and agency workers has increased year on year. However, there have been a number of high profile events in East Lothian, which have required additional staffing capacity and the Council also has staff on stand-by arrangements to cover situations such as emergencies. The highest spend is within the Infrastructure and Health & Social Care services. The grades with the highest spend are the front line Grades 4 and 6. This also reflects the practice of staffing for the norm and not the peaks of demand and bringing in additional flexible staffing when additional support is required.

Table 10: Breakdown of spend on agency staff by service area

Service Area	£
H&SC Access & Older People	£30,321
H&SC Adult Wellbeing	£230,197
H&SC Children & Adults	£29,355
Children's Wellbeing	£6,969
Communities & Partnerships	£93,573
Communities and Partnerships	£11,172
Council Resources	£69,461
Criminal Justice	£1,030
Development	£321,555
Education	£138,479
Infrastructure	£543,224
Planning & Performance	£15,012
Total	£1,490,348

Staff Turnover

The average length of service with the Council is around 10 years. This is reflected in the Council having a relatively low level of staff turnover – 4.63% in 2015/16 and 5% in 2016/17. The low turnover rate is a contributory factor to the older workforce and can be viewed as potentially both a positive and a negative factor in workforce planning.

- Positive – workforce committed to working for the Council with growing levels of knowledge and experience.
- Negative – ageing workforce with fewer opportunities for younger staff to enter the Council workforce.

The number of leavers and reasons for leaving the Council have been consistent over the last three years with the largest reason for leaving being end of temporary contract, followed by resignation and retirement. However, when resignation categories are combined, end of temporary contract falls to second place.

3. What is driving the change? Analysis of future Needs

The 2017-2022 Council Plan sets out the Council's ambition for East Lothian, summarised in the Council vision. It is based on objectives and strategic goals that will have the greatest impact in improving the lives of the people of East Lothian – growing our economy, growing our people and growing our communities. The overarching objective of reducing inequalities is important as it ensures we do not lose sight of the need to break the cycle of poverty that blights families and communities.

The Plan is based on a sound foundation of high performing services built around the needs of our people and communities, partnership working geared to achieving better outcomes, positive engagement with our communities and voluntary sector, and a focus on exploiting new opportunities to continue our drive to sustainable and inclusive economic growth through the City Region Deal and the Local Development Plan.

However, the Council faces unprecedented financial challenges and increasing demand for more and better services from an ever growing population and communities that quite rightly expect the highest quality of services. As demand for quality services rises and resources are restricted we need to provide best value for money – better services at lower cost; doing more with less; doing things differently, more efficiently and more effectively.

The Council Plan sets out in some detail the context within which the Council will be operating over the next five years, including:

- Significant growth in East Lothian's population
- Financial constraints and pressures
- Impact of the recession and the decision to leave the EU
- Public sector reform and the Scottish Government's programme for Government.
- Our programme of change and the opportunities technology offers
- Our partnership arrangements with communities and other public sector organisations.

The Council's ambition to achieve its vision and objectives and exploit the opportunities to deliver sustainable and inclusive economic growth in the face of the changes it faces makes it even more important that the Council manages its most important resource – its workforce – as efficiently and effectively as possible.

The Council Plan recognises that to meet the pressures and demands, the Council will need to deliver services differently and will increasingly become:

- an enabling and empowering authority
- a more entrepreneurial authority
- a 'digital' authority, fully embracing and exploiting opportunities to use technology to deliver services.

The following section provides the analysis of the future needs based on the key drivers of change that impact on the Council's present and future workforce requirements.

Population Growth and Growing Demand for Services

East Lothian's population is projected to grow by about 1% a year over the next 20 years – from just over 100,000 to over 125,000 by 2037. Significant growth is projected across all age groups, but particularly among children and older people. The 0-16 year age group is projected to grow by almost a third; the over 75 year age group by almost 100%; and, over 85s by around 150%.

The Council is planning for the impact this growth in population will have on Council services, primarily but not exclusively:

- education
- services for children and families
- services for older people and vulnerable adults
- infrastructure, such as schools, roads and community facilities to support the new settlements and housing required for the growing population
- services such as waste collection and street cleaning
- business development and employment services.

The Education Service will face the biggest impact from the growing population. To accommodate the rising number of pupils, the Council's capital programme includes the provision of a new Secondary School in Wallyford; two new Primary Schools in Wallyford and Haddington, which are already being built; and, the expansion of all Secondary Schools and many Primary Schools.

Whilst the development of the use of digital resources and changes in how senior phase education is provided could make more efficient use of teaching staff, the expansion of the Council's school estate will require an increase in the number of teachers. For example, the new Secondary School will require around 120 teachers; the two new primary schools will require over 150 teachers, classroom assistants and auxiliaries. These three new schools alone will require almost 300 additional teachers and classroom based staff.

In addition, the new schools and expanded school state will require additional administration staff, IT support staff, cleaners, catering staff, janitorial and grounds maintenance staff.

The Scottish Government's proposals for education governance as set out in Empowering Schools: a consultation on the provisions of the Education (Scotland) Bill is creating a high level of uncertainty about the future of education services in local authorities. The proposals are bringing into question the role of the local authority as employer of teachers and school based staff. The Bill will establish a Headteachers' Charter that will enable Headteachers to make decisions regarding the management of the curriculum, staffing and funding, with the consequential variation in practice across our schools. In

addition, the outcome of the Scottish Government's Fair Funding consultation, due to be published in summer 2018, could have significant implications for the funding and staffing mechanisms in place at local authority level.

The increase in East Lothian's child population will also increase demand for services provided by the Council's Children's Services with the possibility of higher numbers of vulnerable children and families requiring engagement and support.

East Lothian's growing older population will create pressure for additional staff to provide services for older people such as domestic and personal care to support people living at home or in homely accommodation. An increasing amount of support will be required for people with complex needs such as dementia.

The Council has adopted a draft Local Development Plan which meets the requirement to ensure land supply for 10,050 houses and associated infrastructure over the next 10 years.

In addition to requiring additional schools and services for children and older people, East Lothian's growing population and the new houses that are being built across the county will result in increasing demand for property based council services. More bins will need to be collected, more roads and pavements will need to be maintained and swept, and more people will use leisure centres, libraries and other community facilities. Either more staff will be required to provide these services or the way services are provided will need to change in order to 'do more with less'.

The Local Development Plan, the City Region Deal and Cockenzie masterplan will increase the requirement for additional, and possibly different staffing capacity and resource, to manage and process the large number and large scale planning applications (e.g. Blindwells) and to design, and then supervise, the contracts to build new schools, care homes and other infrastructure requirements.

The Council's Financial Prospects

Since staffing costs account for over 65% of the Council's revenue budget, any significant reduction in the Council's budget cannot be met without changes in the level of expenditure on staffing. As shown above the pressure to reduce staffing costs to meet any budget gaps over the next few years will come at the same time as pressure to increase staffing in services such as education and care services.

The Council's three year budget for 2018/19 – 2020/21, includes significant savings in staffing costs totalling £2.75m over three years – £1.15m from 'efficient workforce management', £600,000 from a senior management review; and savings of over £1m from specific service reviews. There is no requirement or proposal to manage staff numbers through a Council-wide Voluntary Early Release Scheme.

Whilst these projected savings will reduce staff headcount, the increase in staffing required to meet the growth in education, care services and other

services as outlined above will mean that the Council's overall staff headcount will probably increase.

Given the continued uncertainty about the level of Local Government funding and continuing cost pressures the Council will have to continue to control expenditure. As is highlighted above, the Council Plan has flagged up the need for the Council to review how services are delivered in order to live within its means. These change options will have an impact on the Council's workforce – its size, shape and deployment. This Plan sets out how the Council will meet the challenges that these changes will present and assist in the management of staff numbers in line with the Council's agreed three-year revenue budget.

The Workforce Plan does not include specific proposals to alter the current structure of the Council's services. However, service reviews which will be carried out as a result of budget decisions or the requirement to review services and service specific workforce plans may result in some alterations to the Council management and service structure.

Early Learning and Childcare

By 2020 the Council is planning to provide 1140 hours of free early learning and childcare for all 3 and 4 year olds and eligible 2 year olds, almost doubling early learning and childcare services. This can only be provided through a significant increase in infrastructure and staffing. This will have significant implications for the workforce and will see the Council oversee far greater number of placements with partnership providers with the associated requirements for review of standards.

The Council has submitted a proposal to the Scottish Government for how it intends to deliver this commitment, including a detailed analysis of workforce implications summarised as:

- Staff contracts – the expansion programme, including a possible move to providing nursery services for 50 weeks of the year (as opposed to current school term time provision) will require increased flexibility of daily and weekly working patterns
- Leadership and management – early learning and childcare beyond school term time will require a new management structure to be developed to cover out-with term time service provision that will not be covered by existing Primary School Head Teacher contracts
- Additional staffing requirements (possibly between 150 – 200 additional staff) to meet the vastly expanded provision of early learning and childcare through council services and facilities and the management of services provided by the private and voluntary sectors, including child minders.

The development of Early Learning and Childcare opens up opportunities for existing and new staff. One opportunity which is already being progressed with the support of Queen Margaret University and Edinburgh College is the

development of a model of inter-generational service provision and an inter-generational workforce providing co-location and co-provision of services for older people and pre-school children.

This expansion of services offers opportunities for existing staff whose roles are changing to retrain to take up a career in early years or childcare.

Health & Social Care integration

Health & Social Care Partnerships are required by the guidance on the Public Bodies (Scotland) Act 2014 to develop their own Workforce Plan. There is a requirement from the Scottish Government that partnerships adopt the approach of joint workforce strategies and development plans and that these take into account the national Health and Social Care Workforce Plan

Consequently the East Lothian Health & Social Care Partnership has established a steering group to develop a Workforce Plan incorporating Workforce Planning, Learning and Development and Organisational Development (due to be published in spring 2018). The Partnership's workforce planning requirements will need to be aligned with the Council's Workforce Plan.

National Living Wage

The introduction of the National Living Wage has been of great financial benefit to employees on the initial grades (Grade 1, 2 and the first two levels of Grade 3). The largest impact has been on part-time female employees who represent over 80% of this cohort of council employees.

Increases in the Living Wage and salaries in these bands will make recruitment easier as people are more likely to see the role as more of a career choice and should enable the Council to compete with salaries from other employers, retain employees, reduce absenteeism and encourage higher productivity. Being a Living Wage employer supports the Council's commitment to being an ethical employer and supports the work of the Scottish Government with the Poverty Alliance to build a 'living wage nation'.

However, whilst the Living Wage goes a long way to addressing in-work poverty, it should be recognised that this policy adds to the Council's wage bill and has had an impact on pay differentials. These issues have been factored into the Council's financial strategy and budgets.

Young Workforce

As was highlighted above (Page 13) the Council has identified that the age profile of its workforce is a challenge. In 2014/15, only 4.8% of the workforce was aged 16-25. Various initiatives such as the development of trainee posts, graduate internships and Modern Apprenticeships have contributed to increasing the younger age cohort to 5.6% of the workforce.

A revised focus within our secondary schools will see the introduction of Foundation Apprenticeships which will have an impact on the employment of young people to various roles within the council.

The Council's commitment and developing work to engage with, encourage and support its young workforce was recognised by the award of a Gold standard Investors in Young People in November 2017.

The apprenticeship levy is a charge for all UK employers with an annual salary bill of more than £3m. The levy is set at 0.5% of the NI contributions, with all of the funds raised through the apprenticeship levy invested in skills, training and workforce development. The funds are applied for through Skills Development Scotland. In 2017/18 the Council was able to access £10,000 of training provided through Edinburgh College. This is being used to provide IT/ Digital Skills training for frontline staff.

Pensions

While there is no longer a defined retiral age, the anticipated increase in employees staying in work beyond the age at which they receive their state pension has not materialised. Where this has tended to happen is in the lower paid jobs in the Council, predominantly at Grade 6 and below.

The Council operates a Flexible Retirement Scheme for Local Government employees and Winding Down for teaching employees. This allows individuals to retire drawing their pension while remaining at work on fewer hours. This allows the council to retain the knowledge and experience which can be passed on to other staff whilst the employee enjoys a better work-life balance and prepares for retirement.

It is vital that Service areas are sufficiently prepared for the loss of experienced staff through not only retirement but resignation, through the use of succession planning, documenting processes and adopting / adapting technology to 'pass on' the knowledge of experienced employees.

Changes to the Pension Regulations 'Rule of 85' (a person's age at the time benefits are drawn plus the number of years of membership in a pension plan should equal 85 or more to avoid a reduction in benefits) come fully into force by March 2020. These could result in a spike in early retirals if staff who could retire under the rule decide to retire early before the changes to the rule come into force. This could exacerbate the problem caused by early retirals leaving skills, knowledge and experience gaps in the organisation requiring the Council to plan for workforce changes particularly where the service is provided by a small team or one individual.

Pay Equality

East Lothian Council has a good record on pay equality. The Council addressed the historical issue of equal pay through its Single Status Scheme implementation in 2008 and has no live equal pay claims.

Since 2012/13 over 50% of the Council's highest 5% paid employees have been women. In 2016/17 the figure was 52.7%, which was slightly higher than the Scottish average of 52%.

The Council also has a relatively good record in regards to the gender pay gap. This is the difference between men's and women's earnings measured as the average (mean) hourly rate of pay excluding overtime payment for female employees divided by the average hourly rate for male employees. A figure of zero shows no gender pay gap. In 2015/16 East Lothian Council's gender pay gap was -1.2% although it rose to 1.8% in 2016/17.

The Council's workforce is still traditionally gender defined – care and clerical posts predominantly held by women; crafts, manual and technical posts held by men. Further attention is being given to 'breaking down' these traditional gender stereotypes in different sections of the workforce, including employee and role profiling in Council recruitment, staff communications through the Inform staff e-zine and public communications.

BREXIT

The UK's withdrawal from the EU is due to come into effect in March 2019. The withdrawal will not of itself repeal UK employment laws or immigration rules wholesale.

Parliament will need to repeal the European Communities Act 1972 but many of the UK's employment laws from Europe or stemming from European Directives have been introduced through other UK legislation. Each individual law would need to be amended or repealed one by one. There is great uncertainty and views differ as to which, if any, employment legislation will be dismantled following the UK's departure from the EU.

However, what is clear, albeit at this stage the precise details are unknown, is that there will be an impact for recruitment. The Council will continue to work closely with the Convention of Scottish Local Authorities (COSLA), professional networks and other Councils to ensure that we are fully prepared for any changes. In the meantime, we have recognised that there could be an impact on care provision and work is being undertaken to encourage young people to consider a career in this profession.

Further analysis will need to be carried out of the Council's current workforce to determine the potential impact of post Brexit changes on the Council's ability to recruit staff in growth areas such as care services, early learning and childcare, and building trades.

Transformation

As the squeeze on public sector resources intensifies, the Council recognises that a focus on efficiency alone is no longer sufficient or sustainable and that, given the scale of the financial and demographic challenges ahead, more radical and sustainable solutions are required, focussed on transformational change. The Council will need to focus on doing more with less, doing things differently –

being more efficient and effective with fewer resources. From a workforce planning perspective this means ensuring staff are more productive through streamlining of processes and eradicating unnecessary bureaucracy.

Given the demographic, financial and other pressures faced by the Council, significant change will happen. The Workforce Plan is based on the premise that the workforce have to be partners in this change – influencing, instigating and embracing it – and not feel that they are merely the object of change.

The Council has embarked on a Transformation Programme, which includes the following key elements:

- Review of Council accommodation requirements and new ways of working including technology and partnership arrangements
- The redevelopment of the Council's website and provision of on-line services. The main focus of this project to date has been the procurement of a new fully responsive Council website that will support the development of on-line services and payments supported by a new Customer Relationship Management (CRM) system
- Exploiting opportunities for income generation and reducing expenditure; for example from exploiting renewable energy sources and developing the Council's expertise in 'trading operations'
- A programme of service redesign and options appraisal, which will take into consideration the potential to work in partnership with East Lothian voluntary organisations, businesses and social enterprises and use alternative service delivery models such as arms-length external organisations, trading companies, social enterprises and strategic partnerships with other local authorities.

The transformation in the way the Council operates and delivers its services will have an impact on the Council workforce. Change is a stressful process for organisations and for individuals who are affected by it. The transformational change programme will require staff training, management development and support in relation to wellbeing and resilience. The Council will need to support managers and staff through the process – empowering staff to promote and embrace change, developing managers' capacity and ability to manage change and supporting staff in adapting to and being resilient to change.

A Digital Authority

The 2017-2022 Council Plan commits the Council to becoming a Digital Authority. The Council has adopted a Digital Strategy which sets out how it will meet this commitment – making services accessible to customers/ service users wherever they choose, whilst realising operational and cost efficiencies through improved and streamlined business processes.

In parallel to the redesign of services and business processes the Digital Strategy acknowledges the importance of ensuring that East Lothian residents

and businesses have access to superfast broadband that will allow them to fully exploit opportunities presented by having access to the 'internet of things' such as telecare and telehealth services.

The Digital agenda is enabling service redesign to give staff the capacity to deliver services digitally thereby ensuring efficiencies are realised from changes in processes. Access to digital technology across all service areas and staff groups will also assist in enabling flexible working and generating increased capacity from reduced 'waste' such as travelling to and from office bases.

The Council will ensure that its workforce can support the roll out of new technology to provide digital services; for example, ensuring that all council staff have basic digital skills and have access to digital technology.

Staff Engagement

The Council runs an annual staff engagement survey which has consistently achieved a response rate of over 50%. In both 2016 and 2017, 58% of council staff completed the survey – one of the highest response rates amongst Scottish authorities.

The overall engagement rate (Strongly Agree and Agree responses across all questions) fell from a high of 81.5% in 2015 to 76.6% in 2016 but rose again to 78.4% in 2017. Several questions have consistently received very positive responses and point to a high level of positive engagement from Council staff including:

- My work is interesting and uses my skills and capabilities (92% in 2017)
- I know how my job / individual objectives contribute to the Council's objectives (91%)
- I am trusted to make decisions in my role (90%)
- I am treated fairly (87%)
- I feel empowered to make decisions and act on them (85%)

However the survey also highlighted areas that need further action and improvement including:

- I believe that the Council has a flexible approach to recognition (62%)
- I have a manageable workload (64%)
- Change is managed well in my school, business unit, service (69%)
- Change is managed well across the Council (57%)

The issues raised by the relatively poor responses to these questions are being addressed through an action plan which includes investment in management development such as Chartered Management Institute (CMI) 3 and CMI 5 training programmes, reviewing the Performance Review and Development (PRD) process and improving staff communications (such as the introduction of Inform, the new staff e-zine).

Good Foundations

Many of the drivers of change outlined above have been impacting East Lothian Council for many years and have already had an impact on the Council's workforce. Initiatives have included:

- Successful implementation of Single Status to ensure the Council meets its duties under Equal Pay legislation was put in place in 2008 entailing a review of all job descriptions and grades and at the same time enhancement of some terms and conditions of employment
- Efficient Workforce Management – to manage staffing costs; including a Voluntary Early Release Scheme in 2013 which resulted in 97 employees leaving the council on a voluntary basis
- Review of senior management – resulting in reduction of senior managers (from Service Manager level and above) of 30%
- Introduction of flexible/ agile working.

The Council continues to operate an active change management programme, initiatives and analysis resulting in a regular and robust self-evaluation processes. This includes the Service Review process (which is driven by the Service area and designed to reflect the changing needs of the service, the impact across the Council and the impact on people who receive the service), annual equalities monitoring and monthly workforce management reports which provide a detailed overview of staffing and spend.

The Council has an extensive and comprehensive suite of HR policies (see Appendix A) and a set of terms and conditions which are reviewed and revised as required, following consultation with trade unions and staff.

East Lothian Council has placed an emphasis on the wellbeing of its staff for which it has received awards and recognition including:

- Healthy Working Lives Gold Award
- Two Ticks (now known as Disability Confident)
- Investor in People (iP) Silver award
- Investor in Young People (iYP) Gold award.

The Council also provides staff with access to a range of employee benefits including Childcare vouchers, Cycle to work scheme, health care cash back plan, a car leasing scheme and a staff discount scheme.

The Employee Assistance Programme is available to help support the wellbeing and personal capacity of employees and help them navigate through challenges inside and outside of work. The promotion of this service continues to be included in the training to managers and in the employee engagement plan.

The Council has a duty of care to its staff which includes ensuring that all work places are safe and without risk to employees' health, so far as reasonably practicable. The Council has a comprehensive set of around 30 Health and

Safety Management Arrangements covering subjects ranging from Accident Reporting and Investigation, Asbestos, through to Young Persons. The Council's Health and Safety team provide advice and training to support the implementation of the Management Arrangements and ensure compliance with health and safety legislation.

The Council's STAR Awards provides an opportunity to recognise the excellent service provided staff.

Feedback from services and staff engagement surveys revealed that 1-2-1 meetings between staff and line managers were not consistent and in many cases not happening. The Performance Review and Development (PRD) framework was reviewed in 2016 and a new more focussed and simpler framework was launched which allowed more flexibility across services. The new framework has been widely implemented across the council with most services reporting that PRDs are completed and have more value.

To plan the support required for staff training and development, a Workforce Development Plan was devised for the period 2013 – 17. This had four main themes:

- Supporting transformational change
- Building and sustaining leadership and management capacity
- Sustaining a skilled, flexible and motivated workforce
- Developing the workforce for the future.

Successful outcomes from the plan included CMI level 5 programme for Service Managers which had 24 graduates and CMI level 3 programme for Junior / middle managers which has had 95 graduates to date. The new PRD process has been successfully implemented leading to clearer goals and more meaningful performance and development reviews. To support a skilled and flexible workforce, a new Learning at Work Policy was introduced in 2016.

'One Council Workshops' led by the Chief Executive were introduced in 2015 to increase engagement with staff, communicate the vision of the One Council approach and to empower staff by giving them the opportunity to contribute to improvements in services and how the Council operates. Around 1000 staff have attended One Council Workshops to date and this has led to many successful initiatives through suggestions by staff including:

- fostering a 'can do attitude' amongst staff
- improving People Finder, making it easier to identify and contact the right member of staff
- improving communication with and between staff
- speeding up the process of completing service reviews
- using Team Meetings more effectively to share information, pass on knowledge about good practice and promote the 'One Council' message
- empowering staff to take more ownership and responsibility for resolving problems and encourage staff to make positive changes.

Customer Service Professional Qualification (CSPQ) was introduced in East Lothian eight years ago in partnership with other councils and the Scottish

Qualifications Authority (SQA). Since then there have been 105 graduates with over 40 staff currently working towards the qualification. Informal and formal surveys and evaluations have shown an increase in the level of customer service and staff feeling better equipped to handle the needs and requirements of their customers.

Investors in People (IiP) is an internationally recognised accreditation which defines what it takes to lead, support and manage people well for sustainable results. In May 2014, East Lothian Council was awarded the standard accreditation, and in March 2017 achieved Silver standard accreditation.

The March 2017 IiP assessment report highlighted strengths and areas for development. The strengths included how a clear vision had been communicated and employees were clear on the challenges ahead and are motivated and confident in the leadership's capability to deliver them. IiP commented on "people are passionate about delivering the best service possible for the customer."

Areas for development included: expanding leadership and development and change management training to include more managers below service manager levels; embedding the East Lothian Way values; and, improving staff communication.

Investors in Young People (IiYP) tests how well an organisation can attract, support, guide, develop and retain young employees. In November 2017, East Lothian Council achieved the highest level award – the Gold standard. This award has also come at an opportune time as 2018 is the Year of Young People.

The IiYP assessor described the achievement of Gold standard as "a true commitment to the training and development of young people and demonstrates East Lothian Council as an employer of choice for young people."

The IiYP assessment made some recommendations for improvement including: communicating and continuing to develop the Council's Youth Strategy; provide greater clarity around succession planning; introduce a young person's section in the monthly staff e-zine that is written by a young person; encourage peer mentoring and buddying as part of the settling in process; consider developing coaching and mentoring programmes as part of the support for young people.

The areas for development identified by the IiP and IiYP assessments have been considered in the preparation of this Plan.

4. Where do we want to get to? Analysis of the gaps

The analysis of the drivers of change that are impacting on the Council and its workforce has raised a series of questions, challenges and issues that need to be addressed over the next five years if the Council is to achieve its workforce vision:

East Lothian Council will be an employer of choice and our staff will:

- *have the skills, knowledge, experience and motivation to deliver the highest quality services*
- *be flexible and adaptable around our changing organisational needs*
- *continue to take every opportunity to be as productive as possible to deliver their agreed work priorities*
- *be resilient to change and instigate, as well as adapt to, changes in service delivery*
- *be satisfied and engaged and feel safe at work*
- *work in partnership across all services and with the Council's partners and communities to effectively deliver essential services and outcomes*
- *feel valued and recognised for the contribution they make to achieving the Council's vision and objectives*
- *be supported, empowered and trusted*
- *take personal responsibility and ownership to be effective in their jobs.*

Do we have the right size of workforce to meet the public's need and do we have the right staff in the right places?

The new schools that are already planned will require almost 300 additional teachers as well as additional non-teaching school based staff. The commitment to 1140 early learning and childcare will require 150 – 200 additional nursery teachers, nurses, and assistants as well as additional support staff.

Some frontline services such as waste collection, amenity services and customer services will also need to be reviewed in order to ensure they meet the demand for additional services required by East Lothian's growing population and businesses.

It is anticipated that this may not always require additional staff as advances in technology may support different models of service delivery. The further adoption of telecare and telehealth will continue to be a priority for our health and social care teams, the new website and Customer Relations Management (CRM) system will facilitate more online enquiries and transactions which in turn

will facilitate the rationalisation of our property assets as set out in our three year revenue budget.

However, as outlined in the Financial Prospects section above, Council's finances are under increasing pressure and constraint – reduction in revenue support grant, inflationary pressure, including pay inflation. The Council will need to reduce its spending on all services and do things differently in order to 'do more with less'.

The pressure for more staff in some services and the need to constrain budgets and staffing levels will require a constant drive for greater innovation and partnership working. With over 65% of the Council's revenue expenditure going on staff costs any substantial cut in spending cannot be met without a reduction in staffing costs.

The Health & Social Care Partnership, the Education service through the Regional Collaborative and early learning and childcare service are developing detailed workforce plans to ensure we are able to meet the essential needs of citizens being ever mindful of the financial constraints on public sector finance.

In relation to other council services that are facing resource constraints, our approach to benchmarking and learning from others has never been greater. There are some services which cannot continue to exist as they are designed at present and a number of service reviews are underway to look at opportunities to "pool" resources or refocus human resources towards targeted provision. In some services, more commercial models of provision will have an impact on the shape of the future workforce.

How can we meet the financial challenges and the demand for new services and fulfil the need to 'do things differently – doing more with less'?

The upward pressure on the Council's wage bill due to the need to provide additional services will be increased by wage inflation arising from the introduction of the National Living Wage and from the lifting of the pay cap by the Scottish Government, without additional funding provided through the Revenue Support Grant. The growth in the wage bill can only be met by increasing income, reductions in spending on discretionary services or by reductions in staffing costs.

The growing financial pressures on the Council's budget, and more particularly the wage bill, will require the Council to continue to think creatively and imaginatively about how it increases the productivity of the workforce. This will include doing things differently, more effectively and efficiently and adopting different service delivery models or commissioned services through sharing services, arms-length external organisations or partnering with third sector and community organisations.

As employee numbers and roles change, there will be a need for employees to continue to increase their capacity and capability to ensure maximum performance levels are achieved, and for the Council's performance

management processes to be monitored by each Head of Service and service managers.

As part of the search for greater capacity and productivity there will be an increasing need for managers to deploy the workforce more fluidly/ flexibly to meet service needs, based on the skills of employees. Managers will be required to work closely with the HR service to review current job roles and look, where possible, to widen roles to allow for greater flexibility within grades and across service areas and client groups, with an emphasis on objective rather than task led outcomes.

The search for greater productivity (in the context of reduced resources and increased capacity requirements) will drive the need to support the wellbeing and attendance of our employees. A 1% reduction in absence would equate to an increase in capacity of some 364 days over a one-year period. This equates to a saving of £26,763 direct costs, based on the end of year Occupational sick pay 2016/17 figures.

Our continued focus on reducing sickness absence, overtime costs and the use of agency workers and deploying more flexible contracts will make a significant contribution to increasing productivity and managing staff and staff costs. Greater flexibility in contracts will also support the re-deployment of capacity to where it is needed.

The Council's Terms and Conditions and staff contracts will need to be reviewed in order to ensure they are fit for purpose, help deliver our Workforce Vision and support the Council's priorities and the needs of the population we serve.

The Council will need to ensure that its employees – managers and staff – are supported and provided with the training and development required to meet the challenges that the change agenda will bring.

How do we meet the challenges we are facing in staff retention and recruitment?

There has been an increase in staff turnover in the last few years as staff retire but also as the economy picks up and staff are attracted to jobs with other employers.

This Council is facing particular pressure and increasing competition to retain and recruit staff in some posts such as care workers, catering and cleaning staff. The recruitment of staff to lower grade posts is particularly acute in the North Berwick and Dunbar areas, where unemployment is lower. Recruitment and retention are also problems in some professions and technical / skilled posts where other organisations are more competitive and can offer higher salaries, or where professional training has not met pace with growing demand, including: Maths, Science and Home Economics Teachers; Accountants; Social Workers; Architects; Surveyors; and some craft/ building trades.

The Council will need to consider how it can meet the recruitment and retention challenges outlined above through a mixture of approaches, which promote the Council as an employer of choice. This could include, payment of the National

Living Wage; 'growing our own' talent through a Professional Development scheme; developing apprenticeships and trainee posts in relevant services; and, providing mentoring and coaching that encourages retention of staff.

The Council will need to monitor the impact of BREXIT on the workforce and pool of people to recruit to posts that have attracted workers from rest of the EU, such as home care staff and some professions.

How do we meet the challenges of an ageing workforce with a high proportion of staff likely to retire within the next five years?

The greater flexibility in retiral age with staff having the option of choosing to work after their state pension age means that the levels of retirement will have to be closely monitored.

The age profile of the workforce suggests that a large proportion of staff could retire within the next five years – potentially losing the skills, experience and knowledge of a large pool of staff across the Council and specifically in some key posts. This is a particular problem in areas where there are single post holders performing specialist roles.

The Council will need to review its flexible retirement policy and develop an active approach to succession planning, to ensure it best meets the need to accommodate staff in key posts retiring and to minimise possible loss of knowledge and skills. The Council's approach to flexible retirement and succession planning will have to take account of equalities legislation and its recruitment policies.

How do we ensure we have a workforce with more balanced age and gender profiles?

The Council's workforce has an unbalanced age and gender profile. As highlighted above, less than 6% of the workforce is under 25 years old and there are as many staff aged 56 and over as there are aged under 35.

The majority of the Council's female staff are in administration, care, catering and cleaning services. Staff in services such as roads, property maintenance, waste, transportation, amenities, and engineering are predominantly male.

As an equal opportunities employer the Council is aiming to reduce the gender and age imbalances in its workforce.

The Council will continue to work with schools and Edinburgh College, other Higher Education institutions and employers to implement East Lothian's Young Workforce Plan. Key aspects to this will be supporting modern apprenticeships and vocational training to bring school and college leavers into the workforce and encourage more female pupils to take up STEM subjects and vocational training.

Action will also be needed to promote a more gender balanced workforce by further breaking down the traditional gender stereotypes in jobs; for example, supporting the recruitment and retention of more male staff in care services

such as early learning and childcare, and more female staff in crafts and technical posts.

Given the increasing age profile of the Council and the potential loss of key experience and talent over the coming years through the changes to the Rule of 85 and the age profile of our permanent employees a renewed emphasis on succession planning will be important.

How do we recognise the contribution of our staff?

The Council's Workforce vision includes the aim that our staff will feel valued and recognised for the contribution they make to achieving the Council's vision and objectives. The Employee Engagement Survey shows that the Council's staff are engaged and feel positive about working for the Council. However, there is an acknowledgement that there is always more we can do to show how we value staff and further develop our approach to rewards and recognition.

A significant challenge over the timespan of this Workforce Plan will be the need to ensure the continuing engagement and contribution of our employees. In large part, the Council's successes in managing change will depend on a successful engagement approach and the ability to translate organisational values into behaviours.

The commitment and engagement of our workforce will become even more important as the service challenges grow and the need for innovation at all levels intensifies. A successful engagement strategy will be key to support capacity and resilience through reduced absenteeism and voluntary turnover.

In anticipation of the scope and size of change over the next five years, the Council will require a clear framework for employee engagement and a communication plan, aligned to the Transformation Programme, which helps to articulate both the implications for employees and the clear need for their involvement and contribution.

It is essential that the focus on employee engagement is maintained and enhanced and the outcomes are shared across the Council through a variety of mediums to reach all employees.

Service Managers with support from HR should continue to focus on the Health, Wellbeing and attendance of their employees. There are considerable resources available via the Healthy Working lives annual programme and services provided through Occupational Health and Employee Assistance Programme such as reduced cost physiotherapy and chiropody, which are designed to maintain the health and wellbeing and attendance of our employees.

How do we support managers and staff to support, embrace and be instigators of change?

Over the life of this workforce plan there will be a continuing need to build a workforce that is more mobile and more flexible in how, when and where it delivers services. The Council Management Team and service managers will continue to explore alternatives to the current approaches to service delivery,

and look to deliver smarter alternative ways to deliver services where appropriate.

Staff want certainty about their future and their jobs but there are increasing pressures for change and greater flexibility in the workplace. The Council will continue to support staff to embrace change, further develop their resilience and play an active part in fostering the transformational change agenda.

The Workforce Plan continues to commit resources to supporting staff through a resilience programme, enhancement of the Healthy Working Lives programme including mental health and resilience and a further consideration of non-financial benefits.

Staff are supported, empowered and trusted to take personal responsibility and ownership to be effective in their jobs and adaptable around our changing organisational needs. Managers are supported to have and / or develop the skills to manage change and support staff through this agenda. Therefore, the Council needs to continue to develop and implement programmes of staff and manager development such as a resilience programme, mentoring, and conversational coaching.

Most of the Council's Service Managers have completed CMI5 training. The focus moving forward will need to be on Change Management. A programme of learning and development will need to be put in place for all Service and Line Managers, as this will be a key requirement in driving transformational change agenda. The learning curve for managing fundamental service transformation is steep and, as such the process of organisational learning will need to continue and expand.

We recognise the importance of continuing to invest in the development of our current and future leaders in order to meet both the challenges of the Transformation Programme and also the wider challenge of the public sector reform agenda.

The change process has, and will increasingly demand a lot from our managers in both designing the future and continuing to provide a consistent / improving level of day to day services. Managers will be required to work increasingly across organisational boundaries and, through necessity beyond strict professional boundaries. There will be an increasing emphasis on collaboration, commercialisation, project management, and partnership working.

There will also need to be an increasing emphasis placed on 'people management' skills. As more and more is required from employees, so too will the emphasis on engaging, coaching and empowering employees be greater.

To ensure that the future workforce is equipped to handle the anticipated level of change, a rigorous programme of change management leadership learning and development will be delivered in line with development needs identified through our PRD procedure.

Innovative approaches to learning and development will be needed as we seek to keep pace with the Scottish Government's public sector reform agenda and

advances in digital technology whilst maintaining the quality of the day-to-day service provision.

How does the Council workforce support the development of the Digital Authority?

In order to fully embrace and fulfil the concept of becoming a Digital Authority, fully exploiting opportunities to use digital technology to deliver services the Council will ensure it has staff with the necessary digital skills.

Staff providing frontline services will continue to be developed to have the capacity to fully deliver services on a digital basis. The Council will need to identify the digital skills and the skills gap of its workforce and put in place a programme of training to upskill staff in computer literacy to ensure all staff are able to utilise digital technology as required in the performance of their posts.

In the transition to a 'digital future', an increased number of technology specialists with in-depth technical expertise may be required. Digital skills command a premium in the marketplace so the Council may need to review how it recruits staff with the required skills and experience.

5. How are we going to get there? The Plan

The analysis of future needs has identified a range of actions that are required in order to achieve the Workforce Vision. These have been distilled into three themes that formed the basis of the 2013-17 Workforce Development Plan.

- Sustain a skilled, flexible and motivated workforce
- Support and initiate transformational change
- Build and sustain leadership and management capacity

Following adoption of the Plan a detailed action plan, following SMART principles (specific, measured, attainable, realistic, timely) will be prepared detailing how the Plan will be implemented, by whom and with defined timescales.

Sustain a skilled, flexible and motivated workforce

- 1.1 Develop relevant service specific workforce plans, aligned to the Council's Workforce Plan, that will ensure the Council has a cohesive and coherent approach to planning organisational capacity and skills that support the delivery of council and service objectives
- 1.2 Ensure that the Health & Social Care Partnership Workforce Plan is aligned with the Council's Workforce Plan and supports the development of new models of integrated working
- 1.3 Implement the workforce plan required to deliver the expansion of Early Learning and Childcare
- 1.4 Gather data on and monitor the potential impact of Brexit on the Council workforce and the pool of people to recruit to posts that have attracted workers from the rest of the EU such as home care staff and some technical posts
- 1.5 Further promote the values and behaviours we expect of all staff through the *East Lothian Way* and ensure they are embedded within job outlines and the PRD process
- 1.6 Review the PRD process and managing performance policy (and its application) to ensure they are relevant and fit for purpose for all staff, providing all staff with the support, capacity and capability required to deliver the highest quality of services
- 1.7 Review recruitment and selection methods and procedures to ensure we gain a wider appreciation of the values, skills and competencies of candidates (e.g. including more generic skills in job outlines and in the application form, such as second language skills as a desirable for relevant posts) to assist in attracting and recruiting suitable candidates with the required values (*the East Lothian Way*), skills and competencies
- 1.8 Continue to develop measures aimed to improve diversity in all areas of the Council's workforce and sustain the Disability Confident status

- 1.9 Build on the success of achieving IiYP Gold award by continuing to support and encourage our young workforce; attracting, recruiting and retaining young people through creating employment and training opportunities through appropriate training schemes and supporting Modern Apprenticeships in various occupational areas
- 1.10 Carry out a staff audit to gain a better understanding of staff skills, training and development needs and the potential impact of Brexit on the Council's workforce
- 1.11 Review the Council's terms and conditions to ensure they are fit for purpose and are aligned to the achievement of the Council Plan and the Workforce Vision
- 1.12 Review job roles and, where possible, look to widen roles to allow for greater flexibility within grades and across service areas, with an emphasis on outcome objectives rather than tasks, and to support career progression opportunities
- 1.13 Develop an active approach to succession planning, including the flexible retirement policy (e.g. where possible, allowing retiring staff to work alongside their replacement for a time to pass on knowledge and experience)
- 1.14 Implement measures to focus on increasing attendance and support the reduction of employee absence levels across all services
- 1.15 Keep the Council's Health and Safety Policy and Management Arrangements under review and continue to embed best practice in health and safety across the Council to support the mental and physical wellbeing of staff and contribute to increasing attendance
- 1.16 Review how the Council supports the mental and physical wellbeing of its staff through its healthy working lives programme and the Employee Assistance Programme (ensuring the Council sustains Healthy Working Lives Gold status) and promotes networking, social, charitable and volunteering activity
- 1.17 Review the rewards and recognition policy and non-financial benefits offered to staff to ensure the Council recognises and promotes the success, achievement and commitment of its staff
- 1.18 Maintain the focus on employee engagement (e.g. through the One Council Workshop programme) and continue the development of staff communications across the Council through a variety of mediums that will reach all employees
- 1.19 Adopt an 'East Lothian Staff Deal' which sets out the Council's commitments to support staff and the values and behaviours staff are expected to follow

Support and initiate transformational change

- 2.1 Develop and roll out a blended programme of training and activity based learning to ensure staff have the skills, abilities and resilience required to meet future service delivery needs and contribute to the Council change programme based on being an enabling, empowering, more entrepreneurial, and digital authority
- 2.2 Ensure all staff have access to the Council's e-learning and self-directed learning opportunities to allow them to undertake mandatory modules (such as Equalities, Information Security and Data Protection) and training and development modules
- 2.3 Reshape the workforce profile across the Council and in services to align with alternative service models in the light of current and future demographic, financial and other pressures
- 2.4 Put in place training and development interventions that support the up-skilling/ re-skilling of staff to support re-deployment opportunities for staff into services that are growing (for example, to take account of the requirement for additional early learning and childcare staff and the job opportunities created by the opening of new schools)
- 2.5 Develop and support a digital skills programme to ensure that all relevant employees/ roles have the required skills to support the development of digital services
- 2.6 Develop and promote a programme of learning and change management (including mentoring, coaching and action learning) to support the delivery of transformational change and innovation and development of resilience within the workforce to embrace and initiate change
- 2.7 Review the Council's HR policies and procedures to support the Council's transformation agenda and support effective people management practice at a time of change and ensure effective management of issues of grievance, underperformance and capability (e.g. supporting more effective use of time and resources in dealing with managing issues with better / earlier outcomes)
- 2.8 Continue to develop and implement an effective staff communications plan, including encouraging and supporting the sharing of ideas and best practice, which will reach all staff, to ensure staff feel engaged with, understand and contribute to the change agenda
- 2.9 In anticipation of the scope and size of change over the next five years, the Council will require a clear framework for employee engagement and a communication plan, aligned to the Transformation Programme, which helps to articulate both the implications for employees and employee representatives and the clear need for their involvement and contribution.

Build and sustain leadership and management capacity

- 3.1 Continue to develop a rigorous programme of leadership and management development that ensures our managers are supported and have the competencies to lead, motivate, encourage and empower staff to increase their effectiveness
- 3.2 Put in place a managers' induction and training programme for all staff newly appointed to management posts
- 3.3 Extend leadership and management development, including an introduction to management programme, to a wider pool of staff to support the development of management and supervisory responsibilities, and career progression
- 3.4 Develop a model of 'succession planning' that enables the Council to manage the loss of skills, experience and knowledge as well as motivate staff to remain council employees. In developing the succession planning model consideration will be given to:
 - identifying subject matter experts and key positions
 - identifying key capabilities and knowledge
 - identifying posts that can mirror the key capabilities and plan for knowledge transfer
 - putting in place staff development opportunities
- 3.5 Develop a programme of mentoring, coaching and conversational management techniques ('people management' skills) for managers, to improve personal and organisational effectiveness in delivering operational and strategic objectives
- 3.6 Ensure all managers and staff supervisors receive appropriate training and are supported to deliver effective PRDs, including using PRDs to address performance issues and identify training and development needs
- 3.7 Ensure that all managers and staff involved in recruitment and selection receive appropriate equalities, recruitment and selection training
- 3.8 Develop interventions to support managers and staff supervisors in communicating and engaging with staff to support effective team management, team building and team relationships
- 3.9 Develop interventions to support managers in their growing role in working in partnership with external agencies and in joint working
- 3.10 Support managers to engage Organisational Development / Learning and Development staff to design and develop training programmes to ensure staff have the skills and competencies required for each role

Appendix A: Council HR Policies

Adverse Weather & Absences Out with Employees Control
Alcohol & Drug Misuse Policy
Casual Workers Policy
Chief Officer Register of Interest
Disciplinary Code
Disciplinary Code - Casual Workers
Disciplinary Procedure - Non Teaching
Discipline Procedure - Teaching
Employee Gifts and Hospitality
Enhanced Compensation of Early Retirement on the Grounds of Redundancy & Efficiency
Family Leave Policy
Flexible Retirement Policy
Flexible Working Hours Policy
Grievance Procedure - Non Teaching
Grievance Procedure - Teaching
Higher Duties Policy
Leave Policy
Management of Overtime
Manager Guide - Managing Employee Performance
Managing Attendance Policy
Managing Employee Performance Policy
Policy & Procedure for Dealing with Redundancies
Policy Statement on Application of Regulatory Pensions Discretions
Prevention of Harassment at Work Policy
Protection of Vulnerable Groups (PVG)
Protocol for Dealing with Employee Overpayments
Recognition and Reward Policy
Recruitment & Selection Policy
Salary Assessment & Progression Policy
Secondment Policy
Social Media Acceptable Use Policy
Special Leave Policy
Temporary Employees Policy
Time off for Trade Union Duties & Activities
Time off Work Policy
Whistle blowing Policy
Worksmart Policy