

EAST HERTS COUNCIL

HUMAN RESOURCES COMMITTEE - 8 JANUARY 2008

SECRETARY TO THE EMPLOYER'S SIDE

6. LOCAL GOVERNMENT WORKFORCE STRATEGY 2007

WARD(S) AFFECTED: None

'D' RECOMMENDATION - to (A) note the implications of the Local Government Workforce Strategy 2007 for people management and organisational development in the Council; and

(B) to note the updated Human Resources Peer Review Action Plan 2007 attached as an appendix to this report.

1.0 Purpose/Summary of Report

1.1 To provide the Committee with an update on the Local Government Workforce Strategy 2007 (Appendix 'A', pages 6.7 - 6.36) and consider the implications for people management and organisational development in the Council, including the HR Peer Review Action Plan (Appendix 'B', pages 6.37 - 6.45) and also the Schedule of Human Resources Policies recently agreed by the Committee.

2.0 Contribution to the Council's Corporate Priorities/Objectives

2.1 **Fit for purpose, services fit for you**

Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.

The Local Government Workforce Strategy 2007 is relevant to the development of a well managed organisation.

3.0 Background

3.1 The Local Government Workforce Strategy 2007 - 'Local government, the place to be, the place to work', was launched on 28 November 2007 to support local government in tackling workforce challenges in a changing environment. A copy of the Local Government Workforce Strategy 2007 is attached as Appendix 'A'

(Pages 6.7 - 6.36) to the report. The introduction to the strategy set out in paragraph 3.2 below is taken from the I&DeA website. The report and related research can be found at the following website address: <http://www.idea.gov.uk/idk/core/page.do?pageId=7630921>

- 3.2 Since its first publication in 2003, the strategy has always been a 'living document', updated to take account of the changing context and the learning gained from experience. But in 2006, it was agreed that local government should lead the development of the strategy, with central government moving into a supportive role.

This latest version of the local government workforce strategy is the result of extensive consultation throughout the sector.

Priorities

As a result, five strategic priorities from the predecessor strategy have been retained, but the focus has been revised. These five priorities are now:

Organisational development – effectively building workforce support for new structures and new ways of working to deliver citizen-focused and efficient services, in partnership.

Leadership development – building visionary and ambitious leadership, which makes the best use of both the political and managerial role, operating in a partnership context.

Skills development – with partners, developing employees' skills and knowledge, in an innovative, high performance, multi-agency context.

Recruitment and retention – with partners, taking action to:

- address key future occupational skill shortages
- promote jobs and careers
- identify, develop and motivate talent
- address diversity issues

Pay and rewards – modernising pay systems to reflect new structures, new priorities and new ways of working.

The strategy encourages regions and authorities to decide on the appropriate response to their particular workforce challenges. It outlines key issues without prescribing ‘one size fits all solutions’.

- 3.3 The Committee received a report on 25 October 2007 about the Human Resources (HR) policy development work undertaken over the past 12 months and agreed priorities for the policy development work to be undertaken in the next 12 months. It was noted that the introduction of new employment legislation is a key driver for HR policy development and that the policy development schedule represents a major part of the work programme in HR. However, both the HR work programme and the development of HR policies also needs to be informed by a workforce strategy that takes account of other drivers for change in local government.
- 3.4 The changing strategy context is explored in the publication (see pages 6 and 7 of Appendix ‘A’, pages 6.7 - 6.36) and the implication is drawn that not only do these contextual changes mean changes for workforce practices, skills and jobs but also Councils are facing these challenges in the context of tighter resources. Consequently, local authorities will need to work hard to maximise employees’ performance and engage staff positively in relation to change.
- 3.5 A peer review of the HR function was carried out in 2006 and an action plan produced to tackle the areas for improvement that had been identified. The HR Peer Review Action Plan has been updated to reflect progress made in 2007 and a copy of this can be found in Appendix ‘B’ (Pages 6.37 - 6.45) to the report. It can be seen from the action plan that a number of the areas for improvement correspond well to the priorities for improvement set out in the Local Government Workforce Strategy 2007 in particular, leadership development, organisational development and skills development.
- 3.6 Those priorities in the Local Government Workforce Strategy 2007 that are not explicitly referenced in the HR Peer Review Action Plan may still be addressed in the People and Organisational Services Service Plan for 2008 onwards, subject to there being sufficient capacity in the HR team to embrace the full scope of the agenda set by the Local Government Workforce Strategy 2007. Furthermore, the updated HR Peer Review Action Plan 2007 contains a recommendation that the Council’s overall HR Strategy be reviewed, updated and developed by April 2008 and that this work should

reflect the Local Government Workforce Strategy 2007 and draw together the various relevant action plans into one action plan for implementation.

4.0 Report

4.1 The Committee is asked to note the updated HR Peer Review Action Plan 2007 (Appendix 'B', pages 6.37 - 6.45) and the relevance of this action plan to the Local Government Workforce Strategy 2007. There are two priority areas in the Local Government Workforce Strategy 2007 that are not fully covered in the HR Peer Review Action Plan. These are:

Recruitment and retention – with partners, taking action to:

- address key future occupational skill shortages
- promote jobs and careers
- identify, develop and motivate talent
- address diversity issues

Pay and rewards – modernising pay systems to reflect new structures, new priorities and new ways of working.

4.2 In relation to recruitment and retention, the Equality and Diversity section of the HR Peer Review Action Plan contains a recommendation to carry out a complete review of the recruitment and selection process and it is envisaged that this will be completed by April 2008. There are also elements of the plan that seek to embed equality and diversity in the culture of the organisation through staff development. At the same time, the proposal to work in partnership with Herts County Council and Manpower on the recruitment of staff to the Council will necessitate the review of the recruitment and selection process to ensure that the Council's procedures dovetail effectively with the HCC Recruitment Centre delivered by Manpower.

4.3 In relation to the modernisation of pay systems to reflect new structures, new priorities and new ways of working, there are elements of the updated HR Peer Review Action Plan 2007 that address the need to strengthen the management of staff performance e.g. through the PDRS appraisal process. In the Local Government Workforce Strategy 2007 (Appendix 'A', pages 6.7 -

6.36), improving the quality of performance management is seen as a pre-requisite to the modernisation of pay and rewards, within a total rewards approach to pay. The point is made that local government needs to move away from what is described as a culture of 'entitlement' in their approach to pay, characterised by features such as automatic incrementation, and establish effective links between pay and performance. A significant piece of work will need to be carried out to further the modernisation of the Council's pay system and it may be advisable to seek external assistance with this, perhaps from the LGE (Local Government Employers).

5.0 Consultation

5.1 The revision of the Council's HR Strategy will require extensive consultation with staff and management.

6.0 Legal Implications

6.1 As noted in the previous report on HR policy development, the Council as an employer has to keep pace with legislative change. This influences the order in which the HR function seeks to address the priorities set out in the Local Government Workforce Strategy 2007. However, whilst some of the priorities in the strategy may not be statutory obligations, they are likely to feature in reviews of the Council's performance by the Audit Commission e.g. the Direction of Travel Statements and specific service reviews.

7.0 Financial Implications

7.1 There may be some financial implications arising from revision of the Council's HR Strategy and these will be assessed as the strategy is developed.

8.0 Human Resource Implications

8.1 The Council is seeking to be an employer of choice and an effective workforce strategy is important to this objective.

9.0 Risk Management Implications

9.1 Failure to develop a workforce strategy to support the Council in tackling workforce challenges in the changing environment of local government could result in change being managed badly, with consequent risks to performance, service delivery and organisational reputation.

Background Papers

Appendix 'A' – Copy of the Local Government Workforce Strategy 2007
Appendix 'B' – Updated HR Peer Review Action Plan

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