

Forward Plan reference number: Not applicable

Report title: Funding our People Plan (2023-2025)	
Report to: Councillor Christopher Whitbread - Chancellor of Essex and Cabinet Member with responsibility for Finance	
Report author: Pam Parkes, Executive Director, People, Service Transformation and Technology Services	
Date: 5 January 2024	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Ensuring a workforce that is fit for purpose, both now and in the future, is essential if Essex County Council (ECC) is to continue meeting the needs of Essex residents and achieve our ambitions within the tough financial climate we face.
- 1.2 The council is developing ambitious transformation plans to ensure that in the years ahead, it is capable of being a modern, lean, efficient, agile and dynamic organisation; responsive to the needs of people across the county; capable to providing modern services and supporting a thriving Essex economy, a greener environment, and excellent value for money.
- 1.3 Central to this is the workforce, and with the Council committed to finding £5m in staff efficiency savings and associated delivery plans for this expected by 30 November 2023, the need to nurture and develop our workforce, ensuring it is fit for purpose, is greater than ever.
- 1.4 Our People Plan 2021-2025 sets out how we seek to ensure we have a fit for purpose workforce now and in the future. Published in November 2021, it serves to underpin the delivery of our organisation-wide strategy 'Everyone's Essex' as well as the council's overall service offering.
- 1.5 Detailed and ambitious plans have now been drawn up, designed to take forward a series of workforce projects aimed at developing excellent leadership, talent and management skills, improved recruitment processes, organisational and cultural changes, building a truly diverse and inclusive workforce, and the harnessing of modern and innovative new technology.
- 1.6 The purpose of this report is to seek agreement to further investment needed to deliver on these broad organisation wide outcomes, via a series of one-off drawdowns from the transformation reserve.

2 Recommendations

- 2.1 To approve the draw down of £1,026,797 from the transformation reserve in 2023/24 for workforce strategy investment.
- 2.2 To approve the draw down of £932,858 from the transformation reserve in 2024/25 for workforce strategy investment.
- 2.3 To approve the draw down of £218,724 from the transformation reserve in 2025/26 for workforce strategy investment.

3 Background and Proposal

- 3.1 Our People Plan 2021-2025 sets out how we seek to ensure we have a fit for purpose workforce now and in the future. It was adopted by the Chief Executive and subsequently approved at Full Council before being published in November 2021. It is an underpinning plan which enables our organisation wide strategy 'Everyone's Essex' as well as the council's overall service offering.
- 3.2 The People Plan 2021 - 2025 builds on the strong foundations of the previous People Plan and has been designed around seven key themes which aim to ensure that our workforce is the right size and shape and has the right skills to meet the changing needs of the residents and businesses of Essex. This additional investment will enable delivery of new projects that have an increased focus on equality, diversity and inclusion, collaboration, talent/skills development, and utilisation of technology to foster closer relationships and continually improve the way that services are delivered across our communities whilst also ensuring that we deliver value for money to taxpayers through a more effective and efficient workforce at a time of significant change.
- 3.3 The current cost of living is a significant factor driving our employees to find higher paying jobs. Our pay benchmarking partner 'Korn Ferry' has concluded that we no longer pay market rate for many of our roles due to the budget envelope we have available for pay awards. The overall attrition level, currently recorded as 11.1% in August 2023, masks the fact that voluntary turnover has fallen in areas where demand is decreasing and is significantly higher than the organisational average in skills shortage and critical skills areas such as social work, planning, climate and green skills, digital data and technology and professional services causing ECC to lose talent and have a detrimental effect on business continuity and service delivery. As a result, voluntary turnover has been raised as a strategic risk on the risk register, along with our ability to recruit in these areas, and this investment supports the requirement to be able to invest in the development of our workforce to support retention and ensure we grow capability and capacity in critical skill areas.
- 3.4 Strategic workforce planning activity has identified different areas of focus for each of the functions across the council which is reflective of the wide range of services provided and the complexity of the environment in which we operate. This investment will also fund projects and programmes that will support the

delivery of functional business plans and contribute towards the budget process over the medium term.

- 3.5 The full range of activities will be delivered prior to the end of the period covered by the People Plan, although the impact of some of these programmes may be felt at a later point.

The Previous Plan

- 3.6 The previous People Plan 2018 – 2021 was primarily a foundation setting plan, with a strong focus on getting much of basics right and starting the journey towards a larger range of initiatives a which was funded through ongoing budget and some additional one off costs
- 3.7 The initiatives delivered within this earlier plan received a number of industry recognised awards. The full plan delivered the following outcomes and its successes are outlined below:
- 3.7.1 We set out to create a **learning organisation** for the council, to enable self-directed learning and to encourage a learning mindset. We achieved this through the launch of 'my learning', a set of online management and leadership development programmes, and delivery of our annual festival of learning, Learnfest which has increased collaboration and supported development not only at ECC but across partner organisations
- 3.7.2 We set out to change the way we **recruit**, to ensure we attract the best talent to Essex and are able to recruit talent that is more representative of the people we serve.. We launched our new careers site (workingforessex.com) alongside our new employee value proposition and recruitment technology. This encouraged 20% more applications from diverse populations and 98% of candidates were positive about the application process. The work on our Employee Value Proposition also won a resourcing industry award.
- 3.7.3 We wanted to embed the important work to modernise **our pay and grading structure** which ensured pay equality and market rate benchmarking, allowing us to be more competitive for every single role. This embedding work utilising change management won an HR industry award from the CIPD (Chartered Institute of Personnel and Development) in 2022.
- 3.7.4 We have de-coupled the overall link to performance and pay, removing the annual assessment and moderation process, and developed a modern approach to **performance development**, where recognition payments plan a part. We introduced our new check in process, supported by My Performance system (which also delivered on requirements for the social care capability framework and our Wellbeing Strategy).
- 3.7.5 We created an outstanding **employee experience** which included the setup or amplification of several employee community networks, engaging with our employees through our staff surveys, and delivering a number of events such as recognition, long service and employee roadshows. In our 2022 survey, our

employee engagement index was 73% (up 10% from 2020 and 13% since 2018).

- 3.7.6 We wanted to ensure we built the mechanisms and resources necessary for teams to **deliver enhanced people services**, as and when ad hoc needs arose. We developed our service offer, which the functional teams can access to help improve organisational performance such as high performing teams, leadership coaching, and a new change management methodology.
- 3.7.7 We wanted to make sure that **employee wellbeing** was at the forefront of the workforce strategy. Our wellbeing interventions started before the pandemic and put in a strong place to offer wellbeing support throughout the pandemic and beyond, resulting in a 15% reducing in long term absences due to stress, mental health and depression.
- 3.7.8 Our **diversity** agenda, although not fully formed, allowed us to bring in impartial experts to assess ECC from a lens of equality, diversity and inclusion, and the insight has been used to form the basis of our Equality, Diversity and Inclusion strategy which we will deliver against using the investment requested.
- 3.8 The previous plan was supported by an investment of £593,300 which has been used to support delivery of previous initiatives. The work set out in the 2021 – 2025 People Plan has been designed using existing resource but additional funding is now required to support the implementation, delivery and scaling up of activities with many programmes currently on hold or awaiting commencement due to insufficient funding

The new Plan

- 3.9 The new plan is built on programmes of work that embed and build on the previous plan while also delivering against new priority activity areas across the council. These priority areas are grouped under the following headings and the details of the itemised programme expenditure can be located in the attached Appendix. The overall cost per topic is covered below;
- Recruitment and Retention
 - Management, Leadership and Talent Development including Critical Skills and Capabilities
- 3.9.1 **Recruitment and Retention** – These programmes enable the delivery of our resourcing strategy which aims to improve both the candidate and the hiring manager experience which will enable us to attract more diverse talent and develop a system wide talent pool. This programme also enables us to continue to evolve our working practices to be able to compete for talent in an increasingly challenging labour market which will help to address our current voluntary turnover risk and ensure that we are able to retain people with the right knowledge, skills and experience to achieve the organisational strategy over the short, medium and long term. The programme will also cover work related to our reward strategy and job library.

- 3.9.2 The one-off investment of £23,453 in 23/24 and £49,252 in 24/25 will fund a 12-month FTC Reward Consultant to support simplification and rationalisation of the job library and the development and implementation of a total reward strategy (Essex Pay V2).
- 3.9.3 The further investment of £250,000 in 23/24, £169,000 in 24/25 and £100,000 in 25/26 will give us the ability to build pipelines of talent, increase our brand and our external visibility in the market, assess applicants for suitability and diversity representation, and ensure managers across the organisation are supported through standardisation of the recruitment, assessment and interview processes which will reduce the time to hire.
- 3.9.4 An investment of £10,000 for 23/24 will maintain our disability confident accreditation enabling us to attract a diverse range of talent.
- 3.9.5 The one-off investment of £80,000 in 23/24 supports the introduction of employee listening architecture which will help the organisation gain a greater understanding of the reasons people join, leave and stay at ECC and will also ensure the organisation is able to interact with employees in a more agile way.
- 3.9.6 A further one-off investment of £50,000 for 23/24 is requested to help maintain momentum in supporting the growth and development of our employee networks which help foster a connection to the organisation and will also fund recognition and engagement events for the current year which are enablers of retention.
- 3.9.7 The new one-off investment of £40,000 in 24/25 will fund specialist consultancy support to accelerate the development of the organisational development strategy which will highlight the culture and behaviours needed to underpin the organisational strategy and associated plans.
- 3.9.8 Continued investment in our EVP not only strengthens our market position to potential candidates and existing employees but also provides a strong foundation for the development of recruitment and resourcing shared services across the wider Essex system.
- 3.9.9 **Management, Leadership and Talent Development** - These programmes ensure that we have the mechanisms and frameworks in place to enable the business to identify and develop talent across the organisation and build a system wide approach to talent management. This programme provides targeted support for the development of our junior and mid-level management population which will improve both the manager and employee experience to support retention, whilst also enabling us to expand current leadership programmes to reach a larger percentage of the management and leadership population to ensure we deliver against our commitment to have a more diverse leadership population. The requested one-off investment of £30,391 in 2023/24, £95,730 in 24/25 and £67,011 in 25/26 will fund a 24-month FTC Talent consultant and 24-month FTC Talent apprentice to support the development of a talent identification and management framework which addresses key organisational challenges in terms of critical skills analysis, succession planning, skills matrix, career pathways, internal mobility and

systems talent pools which will provide more support to the organisation and across the system to ensure more corporate delivery focus.

- 3.9.10 In order to support and improve our managers' and leaders' awareness of and communication with an increasingly diverse workforce, one-off investments of £60,000 in 2023/24 and £60,000 in 24/25 to fund Cultural Intelligence Training.
- 3.9.11 To improve knowledge and awareness of requirements under the Equality Act 2010, to reduce absence, increase productivity and improve retention, we will develop a programme of works which curate materials and support management and leadership in these areas. This will require one-off investments of £35,000 in 23/24 and £70,000 in 24/25.
- 3.9.12 A one-off investment of £23,453 for 23/24, £73,876 for 24/25 and £51,713 for 25/26 is requested to fund a 24-month fixed term contract for an Employment Practice Consultant to review and update employment standards in line with the changes to all organisational strategies and support with developing management capability in the areas of disciplinary, grievance, performance management and sickness absence management which will not only upskill managers but will also de-risk the organisation and reduce costs associated with employment litigation claims.
- 3.9.13 An investment of £108,500 for 23/24 is needed to support the delivery and expansion of the women in leadership programme to increase representative leadership in the organisation. The focus of the pilot is "to increase the proportion of women in senior leadership positions within 2 years". At present 50% (73) of our heads of service and above are female.
- 3.9.14 We are also requesting £15,000 of investment for 2023/24 and £10,000 of investment for 24/25 to allow us to engage with a consultancy, to support the further development of our skills agenda through the Cornerstone talent platform IT system.
- 3.9.15 A further request for consultancy support to support the rollout of the new manager academy and management fundamentals programme which includes a blended approach to learning and reduces the reliance on self-directed learning which will support a target audience of 60% of the management population over a two-year period. These programmes will form part of our talent offering and investment of £56,000 for 23/24 is requested.
- 3.9.16 **Critical Skills and Capabilities** - We will build and continue to deliver a programme of works which is focussed on helping the whole organisation develop critical capabilities for the present and future; such as digital and data, change management, strategy, emotional and cultural intelligence, project management and green skills which are crucial to the long-term success of the organisation. This programme also provides targeted activities to support the development of our leadership population so they can rise to deal with the tough challenges and complex future transformation ambition which is becoming increasingly important given that our 2022 Your Voice Survey showed that only 49% of Grade C employees have expressed that they intend to remain at ECC for longer than three years.

3.9.17 The one-off investment of £100,000 in 23/24 will fund the development of an “Emerging leaders” development program for a cohort of 60 emerging leaders across the organisation and a “Pathfinders” development program for 80 mid-level leaders across the organisation which will complement our existing Women in Leadership programme and collectively form our representative leadership approach. A one-off investment of £80,000 in 23/24 will enable us to expand our existing executive coaching offering and provide further development support to our senior leadership population.

3.9.18 The one-off investment of £40,000 in 24/25 is required to set up a coaching and mentoring framework and provide virtual coaching for 25% of non-executive leaders across the organisation moving forward.

3.9.19 A one-off investment of £105,000 in 23/24 and a further one-off investment of £325,000 in 24/25 will support the design, delivery and rollout of the organisation’s critical capabilities which is crucial to support the organisation in leveraging technology to drive efficiency, build data capability to ensure an evidenced based approach, develop green skills to support our climate agenda and accelerate proficiency in the critical capabilities to deliver the organisation’s Strategy and provide the foundations for Whole Council Transformation.

3.9.20 The overall request, then totals as follows:

Areas of Investment	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Learning & Development, including Leadership & Management and Critical Skills	613	675	119	1,407
Recruitment & Retention	413	258	100	772
Total	1,027	933	219	2,178

Core to this investment is the principle that we design a workforce, ready for potential future changes which may happen through our overall Essex Transformation Initiatives. Our People Plan and Strategic Workforce Planning Initiatives seek to support this principle, intervening via multiple channels and transforming our workforce.

In support of this principle, there is strong focus on;

3.9.21 Expanding our leadership and management capability programmes enabling successful transformation across the next four years and beyond.

3.9.22 Building on our recruitment capability in order to be able to attract the diverse talent needed to deliver against the organisation’s ambitions.

3.9.23 Developing the critical skills and capabilities needed to support the organisations long-term strategies.

3.9.24 Developing internal career pathways that support both vertical and horizontal career progression to increase retention, retain critical organisational knowledge and enable effective and robust succession planning

- 3.9.25 Growth in both of culture of continuous learning and continuous improvement community of practice
- 3.9.26 Enabling the successful transformation of the council, through supporting and engaging in our workforce.
- 3.9.27 Reducing our voluntary attrition rate in hard to fill roles with employees 30% less likely to leave due to pay, benefits, or recognition.
- 3.9.28 Employees are recommending ECC as a place of work (achieving 4.5 out of 5 on glassdoor.com)
- 3.9.29 Increasing the volume of people applying to roles internally, with an aspiration that 30% of vacancies are filled through internal applications (currently this is 10%)
- 3.9.30 Maintaining or improving our employee engagement scores as measured through our employee survey. The 2022 survey gave us an engagement score of 73% which was up 10% from 2020 and is a 15 year high.
- 3.9.31 Improving on our ability to manage change, measured through the impact on the Whole Council Transformation agenda and through our employee survey.
- 3.9.32 Closing our gender pay gap by at least 5% over the next four years to ensure our gender pay gap is below 5% (currently 9.7%)
- 3.9.33 Improving the diversity of our workforce to be more reflective of our communities and our management and leadership populations have similar diversity demographics as the organisation as a whole, aligned to the priorities set out in our organisational strategy.

4 Links to our Strategic Ambitions

- 4.1 This report links to the following aims in the Essex Vision through ensuring we have the right sized, engaged workforce with the right skills, with the following grounding ideals:
 - Enjoy life into old age
 - Provide an equal foundation for every child
 - Strengthen communities through participation
 - Develop our County sustainably
 - Connect us to each other and the world
 - Share prosperity with everyone
- 4.2 This report links to the following strategic priorities in the Organisational Strategy 'Everyone's Essex' through enabling:
 - A strong, inclusive and sustainable economy
 - A high-quality environment

- Health wellbeing and independence for all ages
- A good place for children and families to grow

The people plan is underpinning to the Everyone's Essex strategy and contributes to a successful delivery.

- 4.3 We will address the Council's transformation programme of works by explicitly supporting the critical needs of this transformation through the delivery of leadership and change management capability skills development

5 Options

- 5.1 **Option 1 (Recommended)** - Fund the Workforce Strategy for 2022/23 to 2024/25 from one-off draw downs from the transformation reserves.

5.1.1 This option is recommended as it will provide the required level of investment to support our workforce through a significant period of change, it will ensure we can develop and retain our employees, leverage our talent and where there are gaps, compete for and attract the best talent through effective search and recruitment.

5.1.2 This option supplements the capacity of the existing Human Resources and Organisation Development teams to deliver the aspirations of our published People Plan where the activities are beyond the business as usual resource allocation. The current capacity was ranked 3rd lowest in spend by CIPFA (2019/20) amongst its statistical peer group.

5.1.3 It will address some of the findings from the EDI Involve survey to ensure we close our gender pay gap, increase diversity at senior levels, enable ECC to be able to attract from a large and diverse talent pool and ensure everyone feels they can be themselves at work, bringing diversity in thought and decision making.

5.1.4 Regular updates are to be brought to TFOB reviewing progress as requested.

- 5.2 **Option 2** – Do nothing and do not fund the people plan

5.2.1 We are then at risk of our workforce not developing, with a high attrition rate and limited workforce plans, service delivery will be at risk. Many projects in the People Plan that has been adopted by the Chief Executive and approved at Full Council will have to be stopped.

5.2.2 We have already published our People Plan as an enabler to the organisational strategy and our inability to deliver against our commitments creates reputational risk.

6 Issues for consideration

6.1 Financial implications

6.1.1 The 2023/24 budget for People and Transformation (P&T) is £11.2m, this excludes Technology Services. The draft budget for 2024/25 includes £808,000 of budget growth, this is for the Workforce Strategy for Learning and Development as well as Recruitment and Retention.

6.1.2 The service has a 2023/24 budgeted savings contribution of £447,000. Currently £313,000 of the savings are either rated red or black, however there are one-off mitigations in place to meet the savings in 2023/24. And the service has set out proposals in its People Service Senior Management redesign to permanently mitigate this.

6.1.3 In 2018/19 £2.3m of funding was approved to invest in the workforce strategy between the period of 2018/19 to 2020/21. This included an ongoing annual revenue budget increase of £593,300 from 2021/22. The ongoing budget increase was for the purpose of leadership development, ongoing capability building across the organisation, organisation development and some specialist IT licensing as per the summary below;

Description	Budget £000
Engagement, organisation development and organisation design	183
Learning, Management Development & Talent & Leadership	350
Technology (Excluding HRIS)	40
Employee Experience	20
Total	593

6.1.4 Circa £410,000 of this annual budget is paying for Cornerstone licenses, the Councils e-learning platform. The balance of circa £183,300 is used to support talent, learning and resourcing needs but has been deemed insufficient.

6.1.5 This paper seeks new investment to increase capacity within P&T to deliver the outcomes set out in the People Plan strategy document and builds on the previous plan while also delivering important workforce programmes. The investment sought is for **£2,178,379** of one-off funding over 2023/24 to 2025/26 (para 3.9.20).

Areas of Investment	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Learning & Development, including Leadership & Management and Critical Skills	613	675	119	1,407
Recruitment & Retention	413	258	100	772
Total	1,027	933	219	2,178

6.1.6 The investment will fund programme activity and includes funding for 4.00 FTE costing £414,879 over the period 23/24 to 25/26. Non-staffing expenditure is £1,763,500 for the period 23/24 to 25/26. The staffing breakdown is shown in the table below.

Post	Grade	FTE	2023/24 £000	2024/25 £000	2025/26 £000
Reward Consultant	E	1.00	23	49	0
Talent Management Consultant	D	1.00	20	64	45
Talent Management Apprentice	Apprentice Grade	1.00	10	31	22
Employment Practice Consultant	E	1.00	23	74	52
Totals		4.00	77	219	119

6.1.7 Although there are limited direct savings linked to this investment, the service provision is expected to create efficiencies and safeguard the council against rising costs by reducing staff turnover to pre-pandemic levels, ensuring the Council's ability to meet its obligations without delay (i.e., resource capability or availability constraints), strengthening employment processes and compliance with employment legislation, and increasing the speed of productivity with appropriate and available learning and development programmes.

6.1.8 This paper sets out the investment required to deliver the outcomes in the People Plan strategy document, should further workforce requirements develop as part of other programmes, they should be subject to separate investment consideration.

6.1.9 This request is seen as an enabler of longer-term financial sustainability as set out in the organisation's transformation plan.

6.2 Legal implications

6.2.1 All drawdowns from reserves must be approved by the Cabinet Member for Finance. The recommendations in this report do not authorise any goods or services to be procured and a further decision will be required on any procurement activity in accordance with the constitution.

6.2.2 Under the Local Government Act 1999 the Council is required to seek continuous improvement in the way it discharges its functions and members will want to ensure that this investment, if approved, contributes to that.

7 Equality and Diversity Considerations

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8 List of Appendices

8.1 Equalities Comprehensive Impact Assessment

9 List of Background papers

9.1 Our People Plan

9.2 Supplementary information (Itemised breakdown of spend)

I approve the above recommendations set out above for the reasons set out in the report.	Date 17 January 2024
Councillor Christopher Whitbread - Chancellor of Essex and Cabinet Member with responsibility for Finance	

In consultation with:

Role	Date
Executive Director, Corporate Services (S151 Officer)	11 January 2024
Stephanie Mitchener on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	9 January 2024
Paul Turner	

