

I&DEA


Local Government Association

LGE

Local Government Employers

delivering through people: big challenges, big questions

Join in the big debate on the best
ways to address them

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engaging the workforce in change

‘change is happening faster than ever’

That is how it can feel sometimes especially when you are juggling a plethora of needs, demands and opportunities. Councils, working with partner organisations, face the challenge of leading their communities and satisfying rising customer and citizen expectations.

They need to be place-shapers and strategic leaders. They need to work with partners to integrate services around citizens' needs, to offer greater choice and personalisation. They face new issues such as climate change, an increasingly global economy, a growing elderly population, greater diversity and rising migration. They need to respond to complex cross-cutting issues such as social exclusion, poor skills, drug abuse and anti-social behaviour. Structural and cultural changes are on the agenda for many authorities, including changes required to implement new partnership arrangements, to deal with single status, to set up a unitary or to improve two-tier working.

Councils face these challenges in a context of tighter resources. The 2007 Comprehensive Spending Review (CSR), higher efficiency targets, the need to keep council tax down and control the pay bill all constrain spending. To achieve more with tighter resources, authorities will need to maximise employees' performance, introducing new technology and new ways of working, promoting innovation, changing attitudes and behaviours, supporting staff to work in different and more flexible ways. Engaging staff positively in changes is key to sustainable improvement.

The 2005 Local Government Pay and Workforce Strategy¹ set out the major workforce challenges, and the mechanisms to support authorities in addressing them. There have been important developments since 2005, with the Local Government White Paper, the Local Government Association's People and Places proposals, and the discussions to inform the 2007 CSR. This document summarises the main workforce challenges now facing authorities and invites your views on the most important issues to tackle as a sector. Your responses will be used to shape the priorities for the workforce aspects of the new National Improvement Strategy.

tackling the challenges

‘more prepared than ever.’

It would be great if councils felt that way but 72 per cent say that they have insufficient organisational development and change management capacity.

The change journey that lies ahead will require skilled and effective leadership and management. Rigid professional practices may need to be confronted and changed. Future pay pressures will need to be anticipated and tackled to ensure that pay bills are manageable. Successfully joining up front line services, or setting up more shared services with partners and other authorities, will mean dealing with many tricky workforce issues. Among other things, different partners' management styles, cultures, performance management and contractual arrangements will need to combine coherently.

The list of change challenges is immense. For many authorities they will include redesigning processes, reducing staffing levels or redesigning jobs, updating reward and job evaluations systems to reflect new structures and priorities, perhaps moving from being a direct provider of services to a strategic commissioner, outsourcing services, setting up new strategic partnerships. Councils will need to anticipate where new or additional jobs will be required, as well as where jobs will no longer be needed to put in place skill development opportunities and avoid unnecessary redundancies. Dealing with sensitive workforce issues constructively will require skilful handling.

To achieve the ambitions of the White Paper, many leaders, managers and staff need the opportunity to develop new skills. These include skills in place shaping, community and neighbourhood engagement; working with citizens to develop new forms of service delivery; multi-agency working; organisational development and change management; customer relations management; strategic commissioning; innovation and risk management; business process improvement; business acumen; promoting community cohesion; economic development; climate change. Currently only a minority of authorities carry out systematic skills audits to identify and address key skill gaps. Many devote a relatively small amount of time and resources to skill development.

¹ <http://www.local.gov.uk/whitepaper/whitepaper.htm>

improving performance through people

‘better than ever.’

That is what all councils want people saying about their local area. They also want it said about the council. In the councils that get that kind of feedback, staff are likely to feel that way about their jobs.

High performing authorities recognise that effective people management is central to performance. It is not the responsibility of human resource specialists alone. In top performing authorities, leaders and chief executives know the importance of personally taking action to ensure that they have motivated and empowered employees at all levels. There is a direct link between good people management and high comprehensive performance assessment (CPA) scores.

Authorities have made significant progress in improving their people management and development practices over the last few years. 85 per cent of local government staff are now covered by the Investors in People award and 82 per cent of authorities have workforce strategies. However many have not yet implemented local pay reviews and so far only seven per cent have adopted an ‘Engaged Performance/Total Rewards’¹² approach, such as the model recommended by the Cabinet Office, although 59 per cent of other authorities are exploring this possibility. Few have taken up the opportunity of a People Management Peer Review, despite those that have done so strongly praising the benefits of the process.

attracting, developing and retaining talent

‘more competitive than ever.’

Local government needs to attract special people in an increasingly competitive job market.

Are authorities taking effective action to refresh, develop and retain their workforce for the future? Future studies predict an increasing competitive job market. Attracting, developing and retaining talent is a top priority for leading private sector organisations. Local government needs to be an employer of choice to attract and keep the best people.

Many authorities continue to report difficulties in attracting sufficient quality candidates for Chief Executive and other senior posts, yet only 28 per cent are undertaking succession planning, and only around 25 per cent of authorities have ever participated in the national graduate development programme. Local government has the oldest workforce of any sector in the UK economy, with 31 per cent of staff over 50 and 6.5 per cent under 25. Some authorities report that younger staff and those recruited from the private sector do not stay long because they find local government slow and bureaucratic.

Many authorities suffer from significant occupational skills shortages in key areas such as social work, social care, environmental health, planning and building control. In many areas the competition between authorities for scarce skills is pushing up pay without solving the underlying problem. Some authorities have not yet analysed their workforce data so that they can anticipate and address potential future shortages. In the last two years most of the main skill shortages areas have eased slightly for the first time since 1995 because of concerted action at local, regional and national level. If local government is going to overcome these skill shortages, all authorities, with their partners, need to be proactive in promoting key jobs to schools and colleges, employing trainees and setting up skills pathways.

Most authorities are steadily moving up the levels of the Generic Equality Standard. Concerted action is needed to increase the percentage of women and black and minority ethnic staff at senior levels.

¹² <http://www.cabinetoffice.gov.uk/media/428426/engaged-performance-total-rewards-approach.pdf>

agreeing a shared vision

‘a shared vision is as important as ever’

Delivering effective solutions to the various workforce challenges requires a shared vision across local government of the future we want to work towards. This draft workforce vision aims to capture the proposed future direction of travel .

proposed sector-wide workforce vision

Authorities attracting and developing visionary and ambitious leadership able to make the best use of both the political and managerial role and lead trusted and effective partnerships across the whole public sector.

Communities and neighbourhoods flourishing because politicians and employees develop the commitment, skills and knowledge needed to:

- support devolution and community engagement
- lead, in partnership, the strategic management of places

Sustained transformation achieving faster, fitter, more flexible, citizen-focused, personalised local public services because authorities, working with their partners, develop:

- strong, effective leadership, with best practice people management and change management, generating a continual improvement/innovative culture
- a positive public sector identity, with exciting opportunities and challenges that attract and retain talented, high performing, innovative, skilled and flexible staff
- an engaged performance/total rewards approach that reinforces high performance
- new ways of getting things done, with old, rigid practices discarded
- flexible terms and conditions with the technical challenges of changes to employment addressed, facilitating staff moving between different parts of the public sector
- satisfied staff making the best use of their time and skills because processes have been streamlined and automated to minimise bureaucracy
- new roles, structures and career pathways contributing to minimal occupational shortages

Diversity considerations, respect, choice and personalisation are integral to community leadership and service provision and authorities have a workforce diversity profile that reflects the profile of the local community at all levels.

discover more

For additional background information on local government's key workforce challenges, current and proposed national priorities, good practice case studies, details of current national programmes of action see www.idea.gov.uk/pmod

If you have any questions about this document contact LGconnect on 020 7187 7370.

tell us what matters to you

- what are the most important workforce challenges your council faces?
- what are the biggest barriers and constraints that prevent you from addressing workforce issues locally?
- what are the most important actions all authorities, with their partners, should take to address shared current and future workforce challenges as a sector?
- what are the most important actions that national local government bodies (with other national and regional partners) could take to support you in addressing shared workforce challenges?
- will the proposed vision take us in the right direction? Does it capture your ambitions and needs?
- can your council provide a good practice case study that others can learn from?

You can send us your views using the accompanying response form. Please let us have your responses to any or all of these questions before 29th June 2007.

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in writing to:

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Please tell us your name, your authority and your position when you respond.