



Springing Forward – Workforce – Caerphilly County Borough Council

Audit year: 2021-22

Date issued: July 2022

Document reference: 3005A2022

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

The Council's Transformation Strategy prioritises Workforce Development, and the Council maintains a good overview of its current workforce challenges, but recognises it needs to apply the sustainable development principle to strengthen its workforce planning.

Summary report

Summary 4

Recommendations 6

Detailed report

The Council's Transformation Strategy prioritises Workforce Development, and the Council maintains a good overview of its current workforce challenges, but recognises it needs to apply the sustainable development principle to strengthen its workforce planning 7

The Council's Transformation Strategy prioritises Workforce Development and supporting strategies are in place 7

The Council maintains a good overview of its current challenges, and is dealing with the impact that the pandemic has on its workforce, but recognises it needs to formalise and complete its workforce planning arrangements 8

The Council has monitoring arrangements in place but needs to assure itself as to how it will measure and evaluate progress in delivering its workforce plans 11

Summary report

Summary

- 1 As the world moves forward, learning from the global pandemic, our review looked at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 2 We examined Caerphilly County Borough Council's (the Council) overall arrangements and approach in relation to its strategic management of its workforce. We sought to answer the question 'Is the Council's strategic approach strengthening its ability to transform, adapt and maintain the delivery of its services in the short and longer term?' Our focus has been on the challenges highlighted during the pandemic that have exacerbated some long-standing workforce issues.
- 3 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015, we recognised that it would take time for public bodies to embed the sustainable development principle, but we did also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 4 This project had had three main aims:
 - to gain assurance that councils are putting in place arrangements in relation to its workforce to transform, adapt and maintain the delivery of services;
 - to explain the actions that councils are taking both individually and collectively to strengthen their arrangements; and
 - to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 5 This is important because the Council invests considerable sums in its workforce. Some key information from 2020-21 is shown in **Exhibit 1**.

Exhibit 1: key facts and figures relating to workforce

Key facts and figures relating to workforce	
Number of staff	• 8,304 ¹
Spending on workforce	• £246,604,000 ²

- 6 The project, which forms part of the work contained in the 2021 Audit Plan, will help discharge the duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015. It may also inform a study for improving value for money under section 41 of the 2004 Act.
- 7 The COVID-19 pandemic has impacted on the way that staff work. This report examines some of these impacts and the way that the Council benefits from the positives and mitigates risks from the negatives when planning future service delivery.
- 8 The project was undertaken through a combination of document reviews, focus groups and interviews with officers and Members. We undertook the review between February 2022 and March 2022.

What we found

- 9 Our review sought to answer the question: Is the Council's strategic approach strengthening its ability to transform adapt and maintain the delivery of its services in the short and longer term? In doing this work we have identified some issues arising as a direct impact of the pandemic as well as some operational planning exacerbated by the pandemic.
- 10 Overall, we found that the Council's Transformation Strategy prioritises Workforce Development, and the Council maintains a good overview of its current workforce challenges, but recognises it needs to apply the sustainable development principle to strengthen its workforce planning.
- 11 We reached this conclusion because:
 - the Council's Transformation Strategy prioritises Workforce Development and supporting strategies are in place;

¹ Workforce Development Strategy 2021-24

² Statement of Account 2020-21

- the Council maintains a good overview of its current challenges, and is dealing with the impact that the pandemic has on its workforce, but recognises it needs to formalise and complete its workforce planning arrangements; and
- the Council has monitoring arrangements in place but needs to assure itself as to how it will measure and evaluate progress in delivering its workforce plans.

Recommendations

Exhibit 2: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
Workforce and succession plans, monitoring and reviewing	
R1	<p>In developing its service-level workforce plans, the Council should place the sustainable development principle at the heart of its considerations, and specifically ensure it:</p> <ul style="list-style-type: none"> • builds on its experience of the COVID-19 pandemic; • takes account of longer-term trends that may affect service provision and the efficient use of workforce; • aligns with other strategic plans and outcomes; • takes account of the needs of staff, service users and partners, and • sets out SMART performance measures and appropriate monitoring and reporting arrangements.

Detailed report

The Council's Transformation Strategy prioritises Workforce Development, and the Council maintains a good overview of its current workforce challenges, but recognises it needs to apply the sustainable development principle to strengthen its workforce planning

The Council's Transformation Strategy prioritises Workforce Development and supporting strategies are in place

In reaching this conclusion we found that:

- 12 The Council has developed a Transformation Strategy, '#Team Caerphilly – Better Together'. Cabinet approved the Strategy in June 2019. The Council describes the Strategy as, 'a new 'whole authority' operating model to ensure a resilient Caerphilly County Borough for the future'. The Strategy reflects the Council's ambition to transform at pace. The Strategy is a wide-ranging programme of change, including a commercialisation and investment strategy, place-shaping projects (for example 21st Century Schools and Respite Homes) and workforce-related developments.
- 13 The strategy sets out details of the new operating model which is supported by a Strategic Action Plan. In July 2020, the Cabinet agreed a series of ten corporate reviews to strengthen the new approach embodied by the Transformation Strategy and to consider changes to service delivery that have emerged from the Council's response to the pandemic. These include changes to workforce development and flexible working arrangements for staff set out below.
- 14 In September 2021, the Council adopted its Workforce Development Strategy 2021-2024. The purpose of the strategy is 'to develop a workforce that is fit for the future', and focuses on four key themes supported by the Workforce Action Plan:
 - 'Focusing on what matters';
 - 'Managing talent and creating opportunity';
 - 'Valuing our employees'; and
 - 'Fulfilling our potential'.
- 15 The Council has also developed a comprehensive Employee Wellbeing Strategy 2021-24, detailing how stakeholders will work together to fully support employees' health and wellbeing. Particularly in response to the increasing concern by the Council about mental health, and the impact the pandemic has had on employees.

- 16 The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies to consider the long term. As detailed above, the Council Workforce Development Strategy 2021-24 and Employee Wellbeing Strategy 2021-24 cover a short period. Whilst the strategies set out priority actions and highlight efforts made to transform workforce development, the Council will need to consider the skills, knowledge and capacity it will need both now and, in the future, so that it can design workforce plans that meet both short-term objectives and longer-term ambitions.
- 17 In the early stages of the pandemic, many staff adjusted to working from home. Some were unable to work from home because the services could not be delivered remotely, and some staff were redeployed to other duties. This change in working practice accelerated the pace of transformation of the Council's Flexible Working review. It consists of several workstreams, including defining its approach to flexible working, and reviewing policies impacted by any changes.
- 18 In July 2021, the Council approved funding of £168,000 to appoint staff on a fixed-term basis to invest in the Workforce Development team's capacity. The appointment of the workforce development managers allows more focus to be given to the key priorities of the Workforce Development Strategy. However, in considering the scale of its ambition, the Council needs to assure itself that it has sufficiently resourced the workforce development function to achieve transformation at pace.
- 19 The Council has rated workforce as high risk in its Corporate Risk Register. It includes recruitment and retention of staff across the whole Council, particularly the appointment of staff to key positions which is a significant challenge and is starting to affect some service delivery. The risk register includes short-term and some longer-term mitigating actions, and the Council will need to consider the implications of these when reviewing its workforce strategy.

The Council maintains a good overview of its current challenges, and is dealing with the impact that the pandemic has on its workforce, but recognises it needs to formalise and complete its workforce planning arrangements

In reaching this conclusion we found that:

- 20 As referred to in **paragraph 18**, the Council has added capacity to the Workforce Development team to strengthen its approach to organisational development, oversight of workforce issues and support services in workforce planning.
- 21 However, the COVID-19 pandemic has had an unprecedented impact on the Council. The Council has worked hard to deal with the pandemic whilst maintaining delivery of key services. Whilst the Council has responded to the pandemic to ensure the delivery of key services, progress toward its longer-term workforce planning actions has understandably been slowed.

- 22 The Council recognises it needs more complete workforce planning arrangements to help identify its services' future workforce needs. For example, the officers we spoke to were aware of the need to have service level workforce plans and succession plans. The Council has not yet implemented a formal method for capturing these.
- 23 Nevertheless, officers described their commitment to establishing formal workforce planning arrangements as part of its new workforce planning framework which mirrors the good practice identified by the Chartered Institute of Personnel and Development (CIPD). At the time of our fieldwork, we were told that the new framework is currently being developed and should be introduced in Summer 2022.
- 24 The pandemic has highlighted workforce issues such as difficulty in recruiting and retaining staff across many services, an aging workforce, the risk of losing organisational experience, and the need to adapt its ways of working to be more flexible in delivering services. Officers and members referred to current challenges and several drivers for change which are likely to influence the future workforce, demonstrating consideration of longer-term trends.
- 25 In tackling its workforce issues, the Council has analysed its current workforce and is considering emerging risks across the whole Council. We have seen documentation setting out the recruitment and retention challenges facing the Council for each directorate and the steps being taken to try and overcome those challenges. For example, there are recruitment challenges in Social Care, Education, and those services which require technical skills that are in short supply, such as Digital Services, Translation, and Civil Engineering. For some, the pandemic and increased use of remote access have allowed staff to work in other parts of Wales or the UK without needing to commute daily, which means that the Council can aim to attract new recruits from afar if it wishes. The Council will need to consider how far is reasonable to recruit and what are the implications for different services.
- 26 There is emphasis given by the Council on 'growing its own' talent by providing apprenticeship opportunities. In its meeting on 24 February 2022, the full Council approved a budget of £250,000 for the establishment of a new apprenticeship scheme across the Council to help address future skills shortages the Council faces. This is in addition to a one-off £500,000 investment previously agreed in 2021-22.
- 27 The Council has considered the wider environment in which its workforce operates. It believes that competition for staff has increased at the local, regional, and national levels. Officers told us that they were seeing employees move to other organisations where salaries were more competitive.
- 28 A short-term solution that the Council is taking to try and tackle this issue is paying a market supplement, for example to Social Workers. This is a temporary fixed-term additional payment, paid to an individual's basic salary to bring the total annual salary for the role up to the market rate.
- 29 The Council identifies its pay and grading structure as a significant challenge and that it may not be fit for the future. We understand that the Council is exploring options to ensure its pay and grading structure is sustainable.

- 30 There are also other wider issues around recruitment and retention such as skills shortages which could benefit from being addressed on a national level as well as at a regional and local level. The Council should ensure its future workforce planning processes actively consider and help address these potential long-term workforce trends as well as addressing current issues to ensure they reflect changing needs.
- 31 The Council is evaluating its approach to job descriptions for some posts to maximise the likelihood of attracting the right candidates; in addition, the Council has identified that it needs to work with Welsh-medium schools as one means of addressing difficulty in recruiting to some posts which include Welsh as an essential requirement.
- 32 With regards to collaboration, there are examples of the Council working with others to deliver services, though some of these were not specifically prompted by the pandemic. Some, such as the recent agreement for the Council to deliver legal services for Blaenau Gwent County Borough Council's Children's Services, help address challenges recruiting into professional roles. The Council has taken the opportunity to work across organisational boundaries by developing a Collaborative Leadership qualification with Gwent Police. Also, the Council's Human Resources service is supporting the Employment Team that works with the unemployed in the County Borough through programmes such as Jobs Growth Wales, to appoint a number of placements through the Kickstart Scheme.
- 33 The Workforce Strategy 2021-24 incorporates actions of other key strategic documents such as the Strategic Equality Plan (2020-2024), the Customer and Digital Strategy 2019-2023, Communications and Engagement Strategy 2019-2022, and Consultation and Engagement Framework 2020-2025. As new strategies are developed and existing ones are reviewed, the Council should ensure it fully integrates all relevant corporate strategies, for example, its Asset Management Strategy 2019-2024 and Decarbonisation Strategy.
- 34 The Council has considered how it involves others in shaping its Workforce. The Council has engaged with staff to understand how they want to work in the future. It undertook a Flexible Working Survey in June 2020 and May 2021. In both surveys, most respondents indicated that they would like to work in a more flexible way in the future.
- 35 The Council has consulted stakeholders, such as the Trades Unions, on the Workforce Development Strategy 2021-24 and the Employee Wellbeing Strategy 2021-24 and meets regularly to discuss progress. The Council should assure itself that it is involving stakeholders at the earliest opportunity to reflect on how well it understands the needs and challenges facing stakeholders to inform the design of any strategies.
- 36 The Council has focused on supporting managers to manage in a flexible way and is establishing a working partnership with the Open University to develop online learning provision for its managers in this regard. The Workforce Strategy Action Plan notes a priority action is to develop links with private training providers, local colleges, and universities.

37 However, the Council recognises that there is room for improvement in their Learning and Development offer. At the time of our field work, officers described the aim to have a corporate, coordinated approach to Learning and Development across the Council, removing the responsibility of learning provision from services. Officers explained that this is to ensure that the Council provides a comprehensive learning and development offer to its employees to enhance their skills and fulfil their potential.

The Council has monitoring arrangements in place but needs to assure itself as to how it will measure and evaluate progress in delivering its workforce plans

In reaching this conclusion we found that:

- 38 The Corporate Management Team receives reports on a variety of workforce related issues such as the Workforce Development Strategy and sickness absence. We were told that Workforce Development Managers meet with Heads of Service to discuss workforce issues.
- 39 The Workforce Strategy has monitoring arrangements in place. The HR Strategy Group monitors the delivery of the actions through regular meetings and reports to the Team Caerphilly Programme Board. A report on workforce strategy is also presented to the Policy and Resources Scrutiny Committee.
- 40 Although there are clear actions set out, there is an opportunity to incorporate measurable targets to clarify how progress against workforce plans will be measured and capture the contribution to wider outcomes (for example, decarbonisation, flexible working and digital).
- 41 The Council has workforce data such as age profile, sickness absence rates, length of service and is developing a Workforce Intelligence Dashboard. The Dashboard will support workforce planning by allowing managers to further investigate trends in performance data.
- 42 As mentioned in **paragraph 23**, the Council is producing a Workforce Planning Framework to support the development of workforce plans. We have not seen the draft framework and cannot determine whether the Council has designed clear and measurable evaluation processes into all stages of the framework. This would enable the Council to assure itself that it is considering and responding to workforce planning and service demand issues appropriately and thereby managing its risks effectively. The officers we spoke to told us that workforce planning should be an ongoing process and that future workforce plans would be 'living documents', updated as they are reviewed.
- 43 Officers have actively participated in regional HR networks and have continued to meet with peers during the pandemic. The Council should explore whether there are opportunities to benchmark data that may provide useful insight into the Council's individual performance and can identify opportunities for learning from other organisations.

- 44 The COVID-19 pandemic has presented opportunities to work differently, and the Council now needs to consider its future workforce needs. As the Council reshapes its business, it has opportunities to be ambitious and set out what the future workforce might look like. It is important that the Council considers the long-term demand for services. An embedded workforce planning process will help all Council services set out what the future looks like.



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.