Workforce Innovation - how councils are responding to workforce challenges

Best Value thematic work in East Lothian Council 2023-24

AUDIT SCOTLAND

Contents

Key facts

Workforce 2023/2024

5,314	Number of people working for the council – headcount
4,124	Number of people working for the council – full time equivalent
1,397	Number of casual staff positions
10.5%	Turnover of staff in last year
11.87	Average number of sickness absence days per local government employee including teachers

Age profile

5.8%	16 to 25
43.1%	26 to 45
26.7%	46 to 55
24.4%	56+

Sources: Information provided to Audit Scotland by East Lothian Council (Headcount, FTE, casual staff, turnover, age profile, sickness absence)

Key messages

1   The council has a Workforce Plan covering the period 2023-2027. The Workforce Plan contains workforce data although there is an opportunity to continue to develop the range of data and intelligence used.

2   The workforce plan captures the workforce challenges that the council faces however actions included within the action plan need to be SMART to allow progress to be monitored and reported. The council should develop further guidance to ensure alignment with service plans and workforce planning which supports the objectives included within the 2023-2027 Workforce Plan.

3   The council has completed a limited number of corporate digitalisation projects. The council has not yet measured the impact of the digital technology it has introduced on workforce productivity and service outcomes. The council's Transformation Strategy 2024-29 includes plans to do this. Further progress and pace is now required to support and enhance digital opportunities.

4   The Digital Strategy 2022-27 sets out an intention to address digital exclusion. The council monitors the digital skills of its staff through its annual employee engagement survey, the results of which have informed the development of digital support such as the creation of digital champions and digital leaders.

5   The council has revised its flexible and homeworking policies to enhance flexible working options for employees. The council developed a detailed measurement framework in 2020 to capture the impact of its employees working more remotely. There is an opportunity to coordinate data to enhance future reporting to inform improvements to maximise job satisfaction and productivity.

6   The 2023 employee engagement survey focussed on staff health and wellbeing. Staff have reported work-related stress with as key factor being workload. The council has a range of initiatives in place to promote staff wellbeing.

7   Current workforce capacity and the ongoing recruitment and retention of staff remain significant challenges. The council established a short life recruitment task group to support current recruitment challenges including maximising apprentices, professional training and a grow your own culture. The council must continue to explore opportunities to develop long-term sustainable

solutions to meet the challenges it faces. The council is progressing its future leadership programme for both senior and middle managers and this will be used to support succession planning challenges.

8   As a result of a dispute between the trade unions and the council, Joint Consultative Committee meetings were suspended from June 2023 until June 2024. The council and all five trade unions signed a Recognition Agreement in March 2024 to promote and maintain a positive and constructive employment relationship.

9   The council should continue to explore and develop formal arrangements for sharing services with other councils or partners to create workforce benefits. The council shares services with other councils including a Chief Internal Auditor with Midlothian Council and Insurance Service with City of Edinburgh Council.

10   Update reports on the 2023-27 Workforce Plan are provided to the Corporate Management Team and the Joint Consultative Committee.

11   The council should develop a workforce planning performance management framework, linked to its Workforce Plan to inform future workforce planning.

Scope of the audit

1. The 2023 Local Government Overview (LGO) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure.

2. This report sets out how the council is responding to current workforce challenges through building capacity, increasing productivity and innovation.

3. The Accounts Commission's Strategy (2021-26) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2020 Best Value reporting requirements

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Best Value reporting – extract from the Code

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.

- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

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4. This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges. In carrying out the work auditors have considered the following questions:

- How effectively are the council's workforce plans integrated with its strategic plans and priorities?

- How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?

- How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?

- What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?

- What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?

- How effectively is the council measuring the impact of its workforce planning approach?

5. An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

6. The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020.

1 Workforce strategy and priorities

7. A council focused on achieving Best Value will have a workforce strategy that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.

8. To be effective, workforce planning must be integrated across the organisation. Workforce strategies need to support the council in achieving its strategic priorities. They must support other key plans including financial, asset, digital and transformation planning. They need to be under-pinned with detailed workforce plans within services.

The council has a Workforce Plan covering the period 2023-2027

9. East Lothian Council employs 5,314 people including 1,397 casual staff positions. Total staff costs, including pension contributions for 2023/24 is £204.6 million which equates to around 65 per cent of council expenditure, which is high compared to other councils. Almost 25 per cent of the council's employees are over 55 years old. Maximising the efficiency and effectiveness of its people is key to the council achieving its strategic priorities and delivering continuous improvement in the delivery of services.

10. The population of East Lothian is growing rapidly, with a 12.6 per cent increase between 2011 and 2022 (99,717 to 112,300 people) and it has a slightly higher proportion of people over 75 years old (9.8 per cent compared to the Scottish average of nine per cent). At the same time, the council faces significant financial challenges with an estimated budget gap of more than £71 million between 2024/25 and 2028/29.

11. The 2023-2027 Workforce Plan was approved by the council's Cabinet in January 2023. It includes an overall vision that East Lothian Council will be an employer of choice. To achieve this the workforce plan contains nine objectives, that staff will:

- have the skills, knowledge, experience and motivation to deliver the highest quality services

- be flexible and adaptable around our changing organisational needs

- take personal responsibility and ownership to be effective in their jobs and 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

- be customer focused and deliver person centred, trauma informed and inclusive services

- feel valued and recognised for the contribution they make to achieving the Council's vision and objectives

- be supported, empowered and trusted.

12. The Workforce Plan includes some workforce data and summarises the changing context, pressures and challenges impacting on the workforce. It includes an overall vision comprising nine bullets, key drivers of change and challenges impacting on workforce requirements including the impact of Covid, financial constraints, population growth and transformation, workforce profile data, workforce issues identified by managers and staff and an action plan. It also includes an action plan 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.

13. An update on progress on the Workforce Plan and associated actions was presented to the Joint Consultative Committee (JCC) in June 2024 (see paragraph 72 for further detail).

The Workforce Plan contains workforce data but there is an opportunity to continue to develop the range of data and intelligence used

14. Workforce planning involves identifying and addressing future capacity and skills gaps, at operational and leadership levels. It requires strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trade unions. The characteristics of mature workforce planning are described in the workforce planning maturity matrix in Audit Scotland's Local Government In Scotland Overview 2023.

15. The Council's 2023-27 Workforce Plan provides council-wide workforce data on the overall headcount and grading and a breakdown by protected characteristics with three-year trend data reported where this is available. While the council provides some commentary on the datasets, it is not clear how data is informing its overall strategic approach to workforce planning. The council recognises the risk of an ageing workforce and refers to initiatives to attract a younger workforce.

16. The Council Management Team regularly reviews a wide range of recruitment and workforce data including agency staff, absence management

and recruitment information. The council could continue to develop the range of data and intelligence it draws on in its 2023-27 Workforce Plan to monitor effectiveness, for example, information on the use of casual staff, use of apprenticeships, sickness absence statistics, well-being data, recruitment and retention data, exit survey data, labour market analysis and scenario modelling.

17. While the council did not carry out a formal consultation with staff on the development of the workforce plan, it did draw on findings in the most recent employee staff survey 2021 and workforce issues raised by service managers in a survey in Spring 2022. In 2023, eight additional actions arising from issues raised by staff in the 2023 Employee Engagement Survey were added to the Action Plan, as requested by Joint Consultative Committee (JCC) at its June 2023 meeting. Further questions were also included within the 2024 employee engagement survey.

The workforce plan captures the workforce challenges however actions need to be SMART to allow progress to be monitored and reported

18. In June 2024, the council's workforce action plan had 40 actions, including the eight additional actions added in June 2023. While the actions capture a range of workforce challenges, not all are SMART and specific and therefore it is difficult to fully evaluate what progress has been made and what success looks like. The council could further develop specific actions including, setting targets, how these will be achieved and timescales for completion within the five-year period and the financial implications. There is an opportunity for the Council to develop clearer actions to allow progress to be measured, monitored and reported.

Recommendation 1

The council should build on its workforce planning to date by expanding the range of data and intelligence it draws upon, with SMART action plans setting out how council level and service level actions are being progressed.

Service plans should include detailed workforce planning which supports the objectives included within the 2023-2027 Workforce Plan

19. It is important that the service plans include service level workforce planning which contains a detailed analysis of the workforce data and the potential implications for the service and the Council. Service level workforce planning should also support the themes, objectives and action plan included within the 2023-2027 Workforce Plan.

20. Service planning guidance states that services should consider the key aspects of workforce planning and whether the service has the capacity and skills required to deliver services now and in the future. There is an opportunity for the Council to develop further guidance, templates or toolkits to support services in developing a consistent approach to workforce planning.

Recommendation 2

The council should prepare detailed guidance and templates to assist services in identifying supply and demand issues and consider the emerging objectives and actions within their areas whilst ensuring there is a consistent approach to workforce planning across the council that supports the vision and priorities within the Council Plan.

2 Digital technology and the workforce

21. The LGO notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

22. Digital technology has a strong bearing on a council's workforce needs. It can be used to re-shape jobs to increase productivity and reduce back-office functions while improving service quality. Technology solutions include online services, customer relationship management systems, mobile digital devices and more recently, artificial intelligence (AI) applications.

23. The Accounts Commission's 2021 [Digital Progress in Local Government report](#) highlighted that Covid-19 accelerated the use of digital technology in councils. Councils need to be innovative in their use of technology and build on new working practices that emerged during the pandemic. In doing so, they must also consider service quality and the needs of people experiencing digital exclusion.

The council has completed a limited number of corporate digitalisation projects. Further progress and pace is now required to support and enhance digital opportunities.

24. We reported in our Annual Audit Report 2022/23 that the council has many old IT systems that have been identified as due for replacement and that the use of new technology would increase efficiency of workflow, provide automation of administrative processes and reporting and free up staff resource.

25. The council has completed a limited number of corporate digitalisation projects to date including, an online customer platform, a new content management system, HR and Payroll systems and online school payments. It has identified the benefits of these in general terms but has not fully quantified the impact of these including costs avoided, increased customer satisfaction, improved engagement with citizens, reduced transaction time and resources release. Other digitalisation projects underway include the roll-out of Microsoft 365 and the development of a new housing management system.

26. The council's updated Transformation Strategy includes a commitment to develop a more formal and consistent approach to tracking cost benefits. The Transformation Portfolio Framework approved in April 2024 will be used to enhance the Council's ability to capture, monitor and report on benefits.

27. The council is highlighting its intentions to provide more emphasis on digital in its plans and strategies. In its Council Plan 2022-27, the council commits to becoming a digital authority - *maximising its use of technology to deliver services to the public as efficiently and effectively as possible*. Additional short-term priorities, agreed in February 2024, include a reference to the council adopting a digital by default approach to transforming how it delivers its services.

28. In January 2023 the council's Digital Strategy 2022-27 was approved by Cabinet with the aim of transforming the way it works, engages with residents and delivers council services. The Digital Transformation Board provides the overall strategic direction and oversight of digital transformation and the prioritisation of digital projects and allocation of resources.

29. The Digital Strategy 2022-27 set out the intention for the council to prepare an annual digital transformation work plan to be taken to the Digital Transformation Board for approval in October of each year. The council is intending to take the first digital transformation work plan to the Board in October 2024, over 18 months after the Digital Strategy was approved.

The council has not yet measured the impact of the digital technology it has introduced to date on workforce productivity and service outcomes. The council's Transformation Strategy 2024-29 includes plans to do this.

30. The council's Transformation Strategy 2024-29 was approved by East Lothian Council in August 2024. One of its objectives is digital by default customer design - *to continue to make better use of technology to deliver smarter, efficient service processes and to deliver a better experience for customers*. The Transformation Strategy includes a high-level action plan, including 'Prioritise and progress key digital transformation projects'. These include:

- the development of a mobile housing management system that will allow employees to update the system wherever they are

- the rollout of Microsoft 365 which will allow for stronger cross-organisation collaboration.

31. A section of the Transformation Strategy is dedicated to savings, benefits and added value with a more formal approach to tracking cost savings being introduced in 2024. The council intends to use its new Transformation Portfolio Framework to help capture, monitor and report on benefits from 2024 onwards.

Recommendation 3

The council should increase the pace of roll-out of its digital transformation projects and develop measures to capture and monitor the impact of digital technology on workforce productivity and service outcomes. It should also set out how it expects digital technology to shape its future workforce.

The Digital Strategy 2022-27 sets out an intention to address digital exclusion. The council monitors the digital skills of its staff through its annual employee engagement survey, the results of which have informed the development of digital support such as the creation of digital champions and digital leaders

32. The council's 2024 employee engagement survey of non-school staff included questions related to digital skills and equipment. Seventy-five per cent of respondents said they were confident in using council devices, software and systems and 83 per cent thought if they had all the correct tools and support to work digitally, although this ranged from 77.1 to 95.6 per cent across services. The council intends to use the results of the digital skills questions to inform the roll out of support and digital tools to develop the digital functionality of services.

33. To date the council has undertaken several different activities related to digital skills including:

- offering digital skills assessment surveys to several teams that are working on new digital systems or starting to use paperless systems

- organising a new IT skills training room with six desktops for staff to access payslips, Learn Pro and beginner level training. There will also be desktops available at other areas.

- identifying staff who do not have devices and logins. This will be used to target managers of staff with awareness of communal devices, and guides to use Learn Pro and resources/tools to access beginner level digital training

- poster for depots to raise awareness on how to access payslips including QR code for mobiles

34. The council has created over 100 digital champions with an active Teams channel where apps and tools are discussed. The digital champions are located across all services including harder to reach services such as infrastructure. The council also has Digital Leaders who are based across services. They are tasked with promoting the use of digital systems to their colleagues and helping them understand the benefits.

35. Under the 'Growing our people' objective within the digital strategy, that links to the council's objectives, the council has committed to:

- conduct digital skills audits where required and work with the teams and services to build capability and to provide training

- further develop and grow the digital champions network to ensure employees have the required knowledge and skills to use M365 and other relevant applications

- provide a digital skills learning centre that is easily accessible to all employees through an engaging and intuitive Learning Management System.

- ensure all employees have easy access to digital training.

Recommendation 4

The Council should further develop the workforce plan to allow it to monitor progress in addressing digital exclusion in its workforce.

3 Flexible working and other innovative staff deployment

36. During the pandemic councils needed to make the best use of their existing workforce while continuing to monitor employee wellbeing. Councils continue to look to new ways of working to improve job satisfaction and reduce sickness absence and staff turnover.

37. Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.

The Council has revised its flexible and homeworking policies to enhance flexible working options for employees

38. The council has flexible working and homeworking policies in place that encompass staff wellbeing In March 2022 both policies were revised to enhance flexible working options for employees whose roles could be undertaken from home.

39. The council's Worksmart policy is the flexible working policy for the council. It allows staff to work flexibly if the role is suitable. This may mean early starts, later finishes or working from a different location if business needs are met, and working hours are completed. The council also offers employees the opportunity to apply for home working if the role is suitable. In December 2022 there were 305 contractual homeworkers.

40. The Worksmart policy was amended to include hybrid working arrangements, setting out scope for more flexibility with the non-contractual terms agreed locally between the employee and their manager. One of the benefits of this was to support the attraction and retention of employees.

41. The council pays its home workers an allowance as permitted by HMRC. The council pay the maximum tax-free amount of £312 per annum to help employees with the cost-of-living crisis and to encourage more employees to apply for home working. In October 2022, 236 employees were receiving the allowance at an annual cost of £73,632.

42. The council supports employees' wellbeing when working at home, encouraging staff to take breaks and step away from their desks as well as staying in touch. The policy recognises homeworking can be isolating and encourages employees to make use of the health and wellbeing support available.

The council developed a detailed measurement framework in 2020 to capture the impact of its employees working more remotely There is an opportunity to coordinate data to enhance future reporting.

43. The council undertook benefits realisation work in September 2020 on flexible home working that identified five areas of potential benefit:

- carbon footprint reduction

- financial efficiencies

- employee wellbeing

- improved sustainability

- improved productivity.

44. Potential benefits included less time for staff travelling to meetings, and Co2 saved, saved costs in printing and saved Co2 in commuting. It also included possible dis-benefits. Despite the policies being enhanced in March 2022, there is an opportunity to coordinate data to enhance future reporting to inform improvements to maximise job satisfaction and productivity.

Recommendation 5

The council should build on the work it conducted in 2020 to review the effectiveness of its WorkSmart policy. This should capture the benefits for staff including wellbeing, and any savings achieved or improvements to services.

The 2023 employee engagement survey focussed on staff health and wellbeing. Staff have reported work-related stress with as key factor being workload.

45. The council has carried out a council-wide employee engagement survey every year since 2010. The 2023 survey focused on staff health and wellbeing. The staff surveys were conducted in two tranches. In March/April 2023 the council employee survey was undertaken followed by the teacher/school based education employee in September/October 2023. A total of 1,170 council employees completed the 2023 survey, an overall response rate of just under 46 per cent. A total of 995 teachers and school based staff completed the 2023 survey, 746 teachers and 249 school based education service staff, an overall response rate of 48 per cent.

46. In the survey 50.9 per cent of council staff, 81.5 per cent of teachers and 44.7 per cent non-teaching school staff who responded to the survey reported work-related stress and concerns about workload. In response to this and other issues raised in the survey, the council developed a corporate action plan, actions from which have been integrated into the workforce plan action plan. The council intends to ask staff about stress again in a future staff survey.

47. The response rate was lowest in those services that have a high proportion of front-line, non-office-based staff such as health and social care and housing. The council acknowledges that further consideration needs to be given to how to encourage and facilitate front-line staff to complete the survey and intends to pilot a different approach with frontline services.

The council has a range of initiatives in place to promote staff wellbeing

48. The council has initiatives in place to support employee wellbeing including:

- an Employee Assistance Programme which provides confidential advice, information and counselling on a range of work, family and personal issues

- Listening Ears are Mental Health First Aid trained and are people who work for the council and understand the policies and culture can listen to others' issues and suggest a way forward.

- the Healthy Working Lives scheme which helps to support a mentally healthy workplace by providing employers with resources and training.

- Managers encouraging their team members to complete wellness action plans. These are practical tools to identify what keeps employees well at work, what causes employees to feel unwell and what support managers can provide to boost wellbeing.

- Wellbeing Wednesday alerts. These go to all staff as part of the Health and Wellbeing support programme and provide information and support links.

- Number of staff trained to Level 1 & 2 Wellbeing and Trauma Skills

- Number of staff trained on Scottish Mental Health Training

- Engagement with Able Futures to provide longer term wellbeing support to employees

49. In 2023 the council undertook a variety of health and wellbeing exercises for its employees including the provision of mental health first aid training, a step count challenge and the promotion and support of the menopause group and the carers' wellbeing group.

50. The council has an employee wellbeing page on its website that is available to all. This provides links to several web pages for employees to find out information about health and wellbeing.

4 Developing future skills and capacity

51. Councils need to find innovative ways to ensure the workforce capacity and skills they need to deliver services in the future. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

52. Jobs can be re-designed to optimise the workforce and improve services. For example generic roles across health and social care disciplines. Leaders need to engage with staff and trade unions over fundamental workforce reform. This is particularly challenging in an environment of potential job losses.

Current workforce capacity and the ongoing recruitment and retention of staff remain significant challenges. The council needs to adopt long-term sustainable solutions to meet the challenges it faces

53. Similar to other local authorities the council faces a number of workforce challenges which include recruiting and retaining staff; managing high levels of sickness absence; an ageing workforce and the impact of financial mitigation measures that have been put in place. The council has introduced some initiatives to meet these challenges including expanding trainee / professional roles, but more needs to be done to adopt innovative and long-term solutions. The council is at an early stage of developing more sustainable changes through its transformation and digital strategies.

54. The council established a short life recruitment task group which convened between August 2022 and March 2023 and produced an action plan. Some of the initiatives progressed include:

- Adding new roles to the professional development scheme.

- Highlighting employee benefits of working for the council on the website.

- Pay and grading – removal of first point of scale / salary assessment.

- Making progress to become an accredited Living Wage employer.

55. The council was successful in attracting children's social workers by placing the minimum point further up the scale to be more competitive with neighbouring authorities.

56. The council uses apprenticeships to help support people in the local population to further their skills and find employment. However, the council are finding it challenging to continue to support young people through modern apprenticeships due to national funding cuts. East Lothian Works, the council's employability service, promotes foundation apprenticeships and this continues to be supported throughout the organisation.

57. The workforce plan acknowledges that as staffing costs account for around 65 per cent 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. The council anticipates that projects in transformation, service redesign and digitalisation will help deliver some of the changes required.

58. The latest corporate risk register in June 2024 indicates continuing staffing pressures with four services operating in business continuity mode due to staffing pressures.

The Council is progressing its future leadership programme but needs to do more to address succession planning challenges

59. The council has carried out actions to develop its leaders including:

- Defining leadership behaviours based on the East Lothian Way

- Corporate and senior management team members participating in 360 feedback, coaching and behaviour change workshops

- Some corporate management team members are mentoring a small group of managers

- Senior management team development sessions on working together and managing change.

60. Under the council's Shaping Our Futures programme, proposals are being developed to align future leadership development activities with transformation recognising the critical role of managers in driving change. An Aspiring Leaders Programme has now been established which is aimed at developing individuals in a way that is tailored to the needs of the service and post, and supporting the organisation's commitment to succession planning. The council is also proposing a pilot for Amenity Services for future depot managers.

61. The Transformation Strategy 2024-29 includes the following objective: *We must ensure we are developing transformation professionals. As well as attracting, developing and retaining new and existing talent.*

62. Almost 25 per cent of the council's employees are over 55 years old. Whilst the council is progressing its approach to leadership development it needs to do more to address future succession planning challenges.

Recommendation 6

The council needs to put clear plans in place to address future succession planning challenges.

The council and all five trade unions signed a Recognition Agreement in March 2024 to promote and maintain a positive and constructive employment relationship

63. The council states in its 2023-27 Workforce Plan that its implementation will rely on the continuing positive partnership between the council, its staff and the trade unions.

64. As a result of a dispute between the trade unions and the council, Joint Consultative Committee meetings were suspended from June 2023 until June 2024. It is important that constructive working relationships are in place to support future workforce planning. The council and all five trade unions have now signed a Recognition Agreement in March 2024 to promote and maintain a positive and constructive employment relationship.

Recommendation 7

To support the successful implementation of future workforce planning it is important that the council and trade unions have a constructive working relationship in line with the Joint Trade Union Recognition Agreement signed in March 2024.

5 Joint workforce arrangements across services and partners

65. Councils should look to work collaboratively with their partners to make the best use of their existing workforces and plan for the particular workforce needs in their areas. They should also work across traditional service department roles within councils to deliver improved services and outcomes.

66. Examples of this include generic working across health and social care, professional posts or functions shared between councils, and services delivered through empowered communities.

The council has limited formal arrangements in place for sharing services with other councils or partners to create workforce benefits. The council shares a Chief Internal Auditor with Midlothian Council

67. The council has trialled a number of shared posts over the years that have not been sustained. These have included shared roles for the head of education and health and safety. The council has been sharing the role of Chief Internal Auditor with Midlothian Council since January 2023. In June 2024, the Audit and Governance Committee agreed to continue the arrangement and decided to widen it to include the potential sharing of internal audit and counter fraud staffing.

68. From sharing the role, the savings made were used by East Lothian Council to employ a Counter Fraud Officer who has subsequently gone on to identify and recover a greater value of fraud - over £650,000. Other benefits were outlined before the arrangement was put in place, including a more resilient internal audit team and the sharing of best practice in planning, procedures and audit approaches.

69. The council continues to look for opportunities to share services. To date some of barriers include differences in terms of staffing or contractual arrangements, IT systems, local priorities or political differences.

70. The council has outsourced work to other councils in areas where it is more difficult to recruit. For example, it has put an arrangement in place with the City of Edinburgh Council to carry out insurance services following the retirement of the person undertaking this work for East Lothian Council.

6 Measuring the impact of workforce planning

71. Councils should monitor the impact of their workforce planning and delivery approaches. This should include cost, service quality and productivity benefits as well as employee wellbeing. This in turn should inform their workforce planning approach. Councils and their partners should also understand the wider impact of their employment practice on the local economy.

Update reports on the 2023-27 Workforce Plan are provided to the Corporate Management Team and the Joint Consultative Committee

72. Update reports on the 2023-27 Workforce Plan are provided to corporate management team (CMT) and the Joint Consultative Committee (JCC), which comprises trade union representatives, senior officers and some elected members. The June 2024 update report included narrative on progress against each of the actions along with a RAG status for each action. There is no formal arrangement in place in terms of the regularity of update reports.

73. Since the JCC did not meet after June 2023 until June 2024 the update report was submitted to the members library in December 2023. This means it can be accessed for information by all elected members.

The council needs to develop a performance management framework linked to its Workforce Plan

74. The council reports some council-wide workforce data each year to the Policy and Performance Review Committee through its Council Plan Top 50 Performance Indicator and Report Update and its Council's Poverty and Equality Indicators including indicators from the annual employee engagement survey.

75. As with other councils, some information on workforce data is provided in statutory reports including the Local Government Benchmarking Framework (LGBF) such as sickness absence.

76. There is no comprehensive overview of performance measures and targets which measures the overall effectiveness of the council's workforce planning. There is no evidence the council measures the effectiveness of its workforce planning approach in relation to cost, service quality or productivity benefits.

77. The council needs to develop a performance management framework linked to its Workforce Plan. The use of robust data will help inform future workforce planning and assist the council in making informed decisions about staffing levels, skills requirements and resource allocation.

78. The council has not carried out any formal self-evaluation of its workforce planning such as the Local Government Association workforce planning maturity index. These can help identify strengths and weaknesses in workforce planning approaches and inform future approaches.

Recommendation 8

The Council should develop a workforce planning performance management framework, linked to its Workforce Plan to inform future workforce planning.

Appendix 1

Improvement Action plan –

Issue/risk	Recommendation	Agreed management action/timing
1. Action plan The council's workforce action plan has 40 actions capturing a range of workforce challenges however they are not SMART. **Risk** – There is a risk actions cannot be evaluated to allow progress to be measured, monitored and reported.	The council should build on its workforce planning to date by expanding the range of data and intelligence it draws upon, with SMART action plans setting out how council level and service level actions are being progressed. Paragraph 18	**Management response** Management to review the current workforce plan and actions and develop further SMART actions. **Responsible officer** Executive Director for Council Resources **Date** June 2025
2. Service workforce planning The council does not have standard guidance, templates or toolkits to support services in developing a consistent approach to workforce planning. **Risk** – There is a risk that service workforce planning is not consistent and does not support the 2023-2027 Workforce Plan	The council should prepare guidance and templates to assist services in identifying supply and demand issues and consider the emerging objectives and actions within their areas whilst ensuring there is a consistent approach to workforce planning across the council. Paragraph 20	**Management response** Management to further develop service plan guidance to provide clearer alignment with corporate workforce plan. **Responsible officer** Executive Director for Council Resources **Date** April 2025
3. Digital transformation The council has completed a limited number of corporate digitalisation projects. **Risk –** There is a risk the council is not using digital technology to shape its future workforce.	The council should increase the pace of roll-out of its digital transformation projects and develop measures to capture and monitor the impact of digital technology on workforce productivity and service outcomes. It should also set out how it expects digital technology to shape its future workforce. Paragraph 31	**Management response** The Council has prioritised investment and focus to date on key corporate systems and platforms. The Council's Digital Transformation Board is overseeing the prioritisation of projects, but much of this is dependent on financial resources being made available to support the development and implementation of digital

opportunities in a managed and sustainable way.

Responsible officer

Executive Director for Council Resources

Date

On-going

4. Digital exclusion The council has set out its intention to address digital exclusion. **Risk** – There is a risk that the workforce are not appropriately supported.	The Council should further develop the workforce plan to allow it to monitor progress in addressing digital exclusion in its workforce. Paragraph 35	**Management response** Management will review the workforce action plan and consider further areas for addressing digital exclusion and how this can be monitored. **Responsible officer** Executive Director for Council Resources **Date** June 2025
5. Remote and hybrid working The council has developed a detailed measurement framework in 2020 to capture the impact of its employees working more remotely but has not applied this. **Risk** – There is a risk the council cannot quantify the benefits for staff including wellbeing, and any savings achieved or improvements to services.	The council should build on the work it conducted in 2020 to review the effectiveness of its WorkSmart policy. This should capture the benefits for staff including wellbeing, and any savings achieved or improvements to services. Paragraph 44	**Management response** Management already capture significant management information to monitor the effectiveness. Management will consider how this can be consolidated, captured and monitored though the review of workforce plan SMART actions. **Responsible officer** Executive Director for Council Resources **Date** June 2025
6. Succession planning Almost 25 per cent of the council's employees are over 55 years old. **Risk** – There is a risk that the council plans do not address future succession planning challenges	The council needs to put clear plans in place to address future succession planning challenges. Paragraph 61	**Management response** Management will continue to build upon the range of existing initiatives to explore further options to support succession planning. Much of the challenge requires a national approach,

and management will continue to support national workforce discussions.

Responsible officer

Executive Management Team

Date

April 2025

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7. Trade unions

The council and trade unions did not meet between June 2023 and June 2024 after the trade unions went into dispute with the council. A Recognition Agreements was signed by all parties in March 2024.

Risk – There is a risk that the council and trade unions do not have a constructive working relationship and future workforce planning is impacted.

To support the successful implementation of future workforce planning it is important that the council and trade unions have a constructive working relationship in line with the Joint Trade Union Recognition Agreement signed in March 2024.

Paragraph 63

Management response

Management will continue to support and promote constructive discussions with the Joint Trade Unions aligned to the Recognition Agreement.

Responsible officer

Executive Director for Council Resources

Date

On-going

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8. Performance management framework

The council does not have a comprehensive overview of performance measures and targets which measures the overall effectiveness of the council's workforce planning.

Risk – There is a risk that the council does not have the data to inform decisions about staffing levels, skills requirements and resource allocation xx

The Council should develop a workforce planning performance management framework, linked to its Workforce Plan to inform future workforce planning.

Paragraph 77

Management response

Management will review the workforce action plan to ensure it captures clear performance management information to inform future planning.

Responsible officer

Executive Director for Council Resources

Date

June 2025

Workforce innovation - how councils are responding to workforce challenges
East Lothian Council

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