

# Workforce innovation - how councils are responding to workforce challenges

Best Value thematic work in Perth and Kinross Council 2023-24



Prepared by Audit Scotland  
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# Key facts



## Workforce

<b>5,867</b>	Number of people working for the council – headcount
<b>5,074</b>	Number of people working for the council – full time equivalent
<b>250</b>	Number of casual staff
<b>8.6%</b>	Turnover of permanent staff in last year
<b>12.4</b>	Days lost due to absence in last year per employee



## Age profile

<b>12%</b>	16 to 29
<b>22%</b>	30 to 39
<b>26%</b>	40 to 49
<b>15%</b>	50 to 54
<b>25%</b>	55+

Source: Perth and Kinross Council – figures as at 31 August 2024

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# Key messages

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- 1** The People and Culture Strategy 2024-28 sets out the council's approach to delivering sustainable workforce development. The Strategy is aligned with the council's strategic plans and priorities and the council engaged with staff across the organisation to develop the Strategy. The change to the Executive and Leadership structure and development of the People and Culture team will support delivery of the actions in the People and Culture Strategy 2024-28. Service workforce plans are being developed and the council is developing its systems to provide access to service level workforce data.
- 2** The council continues to invest in, build on and make extensive use of digital technology to deliver workforce productivity benefits, improvements in the efficiency of service delivery and better user experience. Although there is some recorded impact of the related workforce benefits and productivity gains, there is scope for these to be more formally quantified.
- 3** The council has formalised hybrid working as part of its new flexible working framework with over a quarter of the council's workforce being classified as hybrid workers. The council has set out the intended benefits from flexible working in its flexible working framework but has not yet articulated how these will be measured. The council reported an increase of over ten per cent on spend on its use of casual workers between 2022/23 and 2023/24.
- 4** Employees are generally positive about working for the council and the relationship between the council and Trades Unions is good. In the main, Trades Unions feel they are consulted with appropriately and their views are taken into account.
- 5** The council is facing challenges with recruitment and retention of staff and has initiatives in place to address this. It has introduced programmes to develop staff skills and capacity.
- 6** The council is involved in an extensive number and variety of shared services arrangements and partnerships across Tayside. The council participates in various other partnerships outwith Tayside and shared working arrangements that provide workforce-related benefits.
- 7** The council has agreed proposals to report to elected members annually on the delivery and impact of the People and Culture Strategy 2024-28, but arrangements for reporting on service level workforce plans are still to be

finalised. The council is developing measures and targets to monitor and report on progress against the People and Culture Strategy 2024-28.

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# Scope of the audit

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1. This report covers the thematic aspect of the Best Value audit requirements. For 2023/24 the Accounts Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges.

2. The [Local Government in Scotland Overview 2023 report](#) 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.

3. This report considers how Perth and Kinross Council is responding to current workforce challenges through building capacity, increasing productivity and innovation. 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 practices 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?

4. 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.

5. 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](#).

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# Workforce strategy and priorities

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The council has an ageing workforce and faces recruitment challenges. It acknowledges that maximising the efficiency and effectiveness of its workforce is key to achieving its strategic priorities.

The People and Culture Strategy 2024-28 sets out the council's approach to delivering sustainable workforce development, ensuring it has a flexible and agile workforce with the right skills, values, and attitudes to meet the needs of its communities.

The People and Culture Strategy 2024-28 is aligned with the council's strategic plans and priorities and the council engaged with staff across the organisation to develop the strategy. The council has established a Workforce Planning Themed Board to coordinate and monitor progress against the strategy.

The change to the Executive and Leadership structure and development of the People and Culture team will support delivery of the actions in the People and Culture Strategy 2024-28. Service workforce plans are being developed and the council is developing its systems to provide access to service-level workforce data.

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## **Integrated and effective workforce planning is essential to the delivery of a council's strategic priorities**

6. 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 trades unions.

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 an ageing workforce and faces recruitment challenges. It acknowledges that maximising the efficiency and effectiveness of its workforce is key to achieving its strategic priorities**

9. Perth and Kinross Council employs about 5,900 people, with spending on staff costs making up 59 per cent of the council's net revenue budget for 2023/24. One quarter of the council's employees are aged 55 and over. The council highlights workforce challenges, particularly around an ageing workforce and recruiting and retaining staff.

10. The population of Perth and Kinross grew by 2.8 per cent between 2011 and 2022, which is roughly in line with the rest of Scotland. Nearly one quarter of the population are aged 65 and over, higher than 20.1 per cent for Scotland as a whole. At the same time, the council faces significant financial challenges with an estimated budget gap of between £7.6 million and £192 million by 31 March 2030. Therefore, 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.

## **The People and Culture Strategy 2024-28 sets out the council's approach to delivering sustainable workforce development, ensuring it has a flexible and agile workforce with the right skills, values, and attitudes to meet the needs of its communities**

11. The People and Culture Strategy 2024-2028 was approved by the Finance and Resources Committee on 12 June 2024. It replaces the Corporate Workforce Plan 2021–23 which was extended to 2024 to accommodate the leadership review.

12. The strategy sets out the council's approach to meeting its objective '*To enable the delivery of a sustainable approach to workforce development, and a flexible and agile workforce with the right skills, values and attitudes to meet the needs of our communities now and into the future.*'

13. It includes sections on the operating context, culture, people, values and aims. The strategy refers to the recent senior leadership review and includes a focus on culture and behaviours for a transitioning workforce. The action plan is structured around the council's values of ambition, compassion, and integrity.

## **The People and Culture Strategy 2024-28 is more detailed than the previous Corporate Workforce Plan 2021-23**

14. Audit Scotland's Best Value Thematic Review 2022/23 found that the council's previous Corporate Workforce Plan 2021-23 lacked context and detail. It recommended that the council revise the workforce plan to set out the challenges facing the workforce and include data in terms of workforce numbers, deployment, age profile, risks, and actions in individual groups. The council had commenced work on revising its workforce plan prior to the Best



Value Thematic Review 2022/23 and the People and Culture Strategy 2024-28 largely responds to the recommendations:

- The strategy includes data on workforce numbers, deployment, and age profile.
- The action plan includes an action for creating workforce plans for occupational areas as well as service level workforce plans. These are yet to be developed and agreed.
- The strategy outlines some of the challenges facing the workforce. These are weaved through the narrative and a summary overview would be helpful.

15. The revised strategy and action plan puts many of the building blocks in place and these will continue to be developed as the council progresses with its approaches to workforce planning through the Workforce Planning Themed Board (paragraph 22) and new People and Culture team (paragraph 21).

### **The People and Culture Strategy 2024-28 is aligned with the council's strategic plans and priorities**

16. The People and Culture Strategy 2024-28 is structured around the council's vision and priorities and one of the principles underpinning the Corporate Plan '*Supporting our workforce to be the best, ensuring they are well-trained and empowered to make decisions.*'

17. The People and Culture Strategy 2024-28 has been closely aligned to the council's Transformation and Change Strategy 2022/23-2027/28. These both reflect the principles set out in the council's Financial Strategy, recognising that key budget decisions that will need to be taken will influence the size, shape of its workforce and what services will be delivered by the council in future.

18. The Transformation and Change Strategy 2022/23-2027/28 sets out how the council will need to change and transform to meet its ambitions. This includes workstreams on the leadership review and workforce to deliver the objective that 'our workforce plan will ensure that we have a sustainable approach to workforce development and a flexible and agile workforce with the right skills, values and attitudes to meet the needs of our communities now and into the future.' This is directly reflected as the overall objective of the People and Culture Strategy.

### **The change to the Executive and Leadership structure and development of the People and Culture team will support delivery of the actions in the People and Culture Strategy 2024-28**

19. The leadership review has focused on four key areas: leadership culture; leadership engagement across the council, with partners and communities; leadership and management competences and performance; and leadership structures and capacity across the whole organisation.

20. The leadership review led to a change to the Executive and Strategic Leadership structure. In addition, Human Resources (HR) and Organisational Development (OD) were consolidated under a single management structure to the People and Culture Team, to support Strategic Leads with their new portfolios and expectations. This new operating model will support delivery of the actions in the People and Culture Strategy 2024-28.

### **The council has established a Workforce Planning Themed Board to coordinate and monitor progress against the People and Culture Strategy 2024-28**

21. A Workforce Planning Themed Board with senior officers from across all areas of the Council is established and met for the first time in September 2024. It will coordinate and monitor progress against the People and Culture Strategy 2024-28. The Workforce Planning Themed Board intends to make sure, on an ongoing basis, that the People and Culture Strategy remains aligned with the council's strategic plans and priorities (paragraphs 91 and 92)91.

### **The People and Culture Strategy 2024-28 contains some workforce data. Additional workforce data is considered by the Executive Leadership Team to inform workforce planning**

22. The People and Culture Strategy 2024-28 contains some workforce data including the data suggested in Audit Scotland's Best Value Thematic Review 2022/23 (paragraph 14) as well as other information on, for example, non-standard working patterns, turnover and average length of service.

23. More detailed workforce data is published in the council's Workforce Financial Profile each year and shared with the Executive Leadership Team. This includes data on sickness absence, agency and supply costs, overtime costs and trend analysis with some explanatory narrative. This information is used to consider any actions needed. The People and Culture Strategy 2024-28 could also benefit from more analysis of data on local demographics and the labour market and scenario planning.

24. The People and Culture Strategy 2024-28 action plan contains 18 actions detailing who is responsible, indicative timescales and measures of success. The council acknowledges it has only set timescales for the first two years of the strategy and priorities will continue to be reviewed. The council is making progress with setting out its measures of success but there are opportunities to further develop these (paragraph 94). Good and timely data will be key to monitoring success and informing future workforce measures and priorities.

### **Service workforce plans are being developed and the council is developing its systems to provide access to service level workforce data**

25. Following the leadership review and approval of the People and Culture Strategy 2024-28, strategic leads for each area are presenting their planned new operating models along with their priorities and resources to the Executive Leadership Team. This process started in July 2024 and is ongoing. These

plans will need to be consulted on and formally agreed upon. The council intends to develop service level workforce plans as part of this process. This will be part of the remit of the Workforce Planning Themed Board. Creating workforce plans for occupational areas as well as service level workforce plans is included in the People and Culture Strategy 2024-28 action plan.

26. The People and Culture Team share external guidance from the Public Sector People Management Association on workforce dialogue tools. They also provide some workforce data to assist with workforce planning at a service level. The new operating model for People & Culture is designed to enable and support strategic leads with organisation change, embedding the organisational culture, values and behaviours and workforce planning. The council is in the process of developing its data systems to allow services to more easily access and manipulate workforce data. This should help inform the council's service level workforce planning.

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## **Recommendation 1**

The council should ensure its service level workforce planning measures align with actions in the People and Culture Strategy 2024-28 action plan as well as agreeing any additional service level workforce measures.

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### **The council engaged with staff across the organisation to develop the People and Culture Strategy**

27. The council started engaging with staff across the organisation to develop the People and Culture Strategy 2024-28 in 2023. Engagement activities included a survey with managers, discussions with service management teams and consultation exercises with the Senior Leadership Team. Employees were invited to provide their input and the council specifically engaged with some special interest groups such as the Disability group. The council held a session with Trades Unions and consulted with them on the draft strategy before it went to committee. During the development period, the council also reviewed approaches taken by other local authorities and drew on shared learning through a group overseen by the Society of Personnel and Development Scotland.

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# Digital technology and the workforce

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The council continues to invest in, build on and make extensive use of digital technology to deliver workforce productivity benefits, improvements in the efficiency of service delivery and better user experience. Although there is some recorded impact of the related workforce benefits and productivity gains, there is scope for these to be more formally quantified.

The council is supporting mobile working and using cloud-based platforms that enable the council's workforce to access real-time information and enhance working in the community

Data and analytics workstreams are improving the council's understanding of its communities and the overall digital literacy of council employees.

Workforce productivity gains are being realised through the council's user facing systems, improving interactions with the communities they serve.

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28. The [Local Government in Scotland Overview 2023](#) 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.

29. 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.

30. 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's digital strategy, Digital Perth and Kinross 2023-27, outlines how digital tools can be utilised by the workforce to work in smarter ways that create a better service experience for communities**

31. Digital Perth and Kinross 2023-27 outlines the importance of the use of ICT to facilitate transformational change at the council. It outlines the council's broad ambition for using digital, information and technology to make local services more personalised, accessible, available, and efficient.

32. The strategy was designed to align with the council's Corporate Plan, Financial Strategy, and Transformation and Change Programme. The strategy sets out a number of workstreams focusing on improving working across the council, joining up services and data, building stable and secure networks and learning environments, ensuring systems are fit for purpose and increasing the use of online services.

33. A corporate Digital Board is in place, chaired by the Chief Digital Officer, and is responsible for the governance, monitoring and review of the strategy. The Board aims to ensure that developments in this area, and related resources, are aligned to contribute towards delivering the aims and objectives of the strategy.

## **The council is supporting mobile working and using cloud-based platforms that enable the council's workforce to access real-time information and enhance working in the community**

34. As is mentioned in the Accounts Commission's 2021 [Digital Progress in Local Government](#) report, the council's multi-disciplinary social care team has adopted assisted technology for mobile working. Following on from this, the council has deployed mobile working solutions to 20 teams, including housing, regulatory services and countryside rangers. The 'Totalmobile' mobile working platform is intended to improve the efficiency of the workforce out in the community providing access to real-time information and system input.

35. Similar to other councils, Perth and Kinross Council has adopted a number of new technologies to allow staff to adapt to changes in workstyle, such as video conferencing. The use of cloud-based platforms has increased as part of the council's digital strategy. There has been an extensive adoption of the cloud-based platform Microsoft 365 with 87 per cent of employees now contributing to shared workspaces as at June 2024.

## **Data and analytics workstreams are improving the council's understanding of its communities and the overall digital literacy of council employees**

36. Part of the council's digital strategy is concerned with the development of a data and analytics programme with the aim of strengthening the use, collection, quality, and analysis of data.

37. The council is in the early stages of adopting the data analytics platform, Microsoft PowerBI. The council has used PowerBI for a range of purposes, including using it with area based statistical data in the development of 'Insight P&K', a suite of interactive locality profiles. This enables an evidence-based approach to understanding localities to inform strategic decision making, as well as improving access to statistical information generally. Other areas where the council has used PowerBI include supporting the council's Child Poverty Working Group, targeting resources to the areas of highest need.

38. Another objective of the council's data and analytics programme has been to increase the data literacy of its staff. In 2021 the council carried out a data literacy survey of its staff and the findings of the survey helped inform the development of a 'data literacy basics' learning module in partnership with Scottish Government. The module is available to all staff via the council's e-learning platform. The council's Digital Skills Team are responsible for the ongoing monitoring of engagement with relevant training material and work is underway to develop specific key performance indicators in this area.

39. As mentioned in the August 2024 [Tackling digital exclusion](#) report by the Auditor General for Scotland and the Accounts Commission, Perth and Kinross Council has funded digital skills training for residents and front-line council staff to overcome barriers to digital inclusion, provided technology for lower income households, and developed digital inclusion and accessibility factsheets.

### **Workforce productivity gains are being realised through the council's user facing systems, improving interactions with the communities they serve**

40. The council's online services portal 'MyPKC' was launched in 2017. It includes a customer self-service module, an employee module and another module used by customer service advisors to log requests on behalf of customers.

41. The customer facing module of MyPKC gives local residents, businesses and visitors to the area a user interface to directly report to and interact with council services. The council has set out how this has delivered productivity gains for its workforce. For example, within Roads and Street Enhancements services the online self-reporting system has allowed queries to be auto-triaged based on information that users provided, eliminating two stages previously undertaken by the council's customer service advisors. It also allows customers to see if a fault has already been reported, reducing duplicate reports of the same fault. Most recent data shows that over half of all faults/enquiries are now logged directly by customers.

42. Internally, anticipated workforce-related benefits of using MyPKC include a reduction in duplicated customer reports, reduced repeat follow-up calls from customers, increased automation and improved reporting leading to improved management of case workload.



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## Recommendation 2

The council should build on the work it has done to date to demonstrate and quantify what workforce benefits and productivity gains have been made through its use of digital technology.

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43. Other technological innovations aimed at improving the productivity of the council's workforce have included:

- Use of the 'Internet of Things' sensors in the community to monitor and provide data on the council's housing stock to better target and direct resources for maintenance.<sup>1</sup>
- Development of an Establishment Approvals Process, utilising MyPKC, to automate routine processes such as elements of vacancy management and processing employee changes in circumstances.
- Development of a virtual assistant to assist employees with HR-related queries

44. The council is currently in the process of implementing a new social care case management system (Mosaic). The system will allow dynamic scheduling and automation of previous manual tasks. A pilot in home care found that the new technology improved the auditability and reportability of critical information and that it improved the service's ability to make changes quickly in the event of staff absence.

45. Another area currently being explored by the council is the use of AI Virtual Assistants for performing some back-office functions, although this is at a very early stage.

<sup>1</sup> The Internet of Things describes a network of physical objects ('things') fixed with sensors, software and other technologies. These sensors exchange data with other devices and systems allowing data to be collected and analysed to inform better decision-making. For example, moisture and temperature sensors in housing stock being used to inform maintenance or identify instances of fuel poverty

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# Flexible working and other innovative staff deployment

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The council has formalised hybrid working, as one of four different categories of workstyle, in its new flexible working framework. Over a quarter of the council's workforce are classified as hybrid workers. Employees are generally positive about working for the council.

The relationship between the council and Trades Unions is positive. In the main, Trades Unions feel they are consulted with appropriately and their views are taken into account.

The council has set out the intended benefits from flexible working in its flexible working framework but has not yet articulated how these will be measured.

In 2023/24 the council used around 250 casual members of staff to help provide vital services. The council reported an increase of over ten per cent in spending on its use of casual workers between 2022/23 and 2023/24.

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## **Councils in Scotland have embraced flexible working and are now considering other innovative approaches to staff deployment**

46. 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.

47. Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. Some councils are also considering more radical working practices such as a standard four-day working week. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.



**In early 2024, the council formalised hybrid working as part of its flexible working framework. Over a quarter of the council's workforce are classified as hybrid workers. Employees are generally positive about working for the council**

48. The council's Finance and Resources Committee approved the council's flexible working framework in January 2024. This framework updated the council's previous flexible working policies. One of the framework's aims is to ensure the council's employment offer is attractive to new and existing employees, helping it attract and retain a diverse and inclusive workforce.

49. The flexible working framework is split into:

- *How we work* – this includes effective use of technology and resources, developing culture to reflect changing service demands and fairness and inclusion.
- *When we work* – this sets out the different forms of working patterns in place and how these can be best used to support effective service delivery, eg term-time working, annualised hours and compressed hours.
- *Where we work* – this sets out guidance on the use of the different formal workstyles in the council.

50. The council has four different workstyles in place:

- **Home worker** – this applies to roles involving minimal face-to-face interaction with stakeholders and/or hands on use of fixed equipment. It includes administration and support roles and expert/ specialist/ policy roles.
- **Fixed base worker** – this applies to roles where all or the majority of working time requires face-to-face interaction with stakeholders and/or hands on use of fixed equipment. It includes reception/facilities management and refuse collection.
- **Hybrid worker** - this applies to roles requiring some face-to-face interaction with stakeholders and/or hands on use of fixed equipment. It includes advisory roles and support roles.
- **Mobile worker** – this applies to roles involving mainly mobile/field work, customer visits with reliance on technology. Regular time at office/hub to maintain team links. It includes home carers, repairs, social workers, and property maintenance.

51. Over a quarter of the council's employees (1,600 employees out of nearly 5,900) can work in a hybrid manner if they choose to and it is operationally feasible.

52. The council conducted an employee engagement survey in Spring 2024. Although no specific questions were included in relation to the impact of working

styles on wellbeing, on a sliding scale of one to ten, respondents assigned an average rating of 7.2 to how likely they were to recommend Perth and Kinross Council as an employer.

### **The relationship between the council and Trades Unions is positive. In the main, Trades Unions feel they are consulted with appropriately and their views are taken into account.**

53. The council and Trades Unions have a positive working relationship. Unions feel they are consulted with appropriately and their views are taken into account in the majority of areas. The council also involves the Trades Unions at an early stage when developing staff engagement tools, eg, they are members of the employee survey design group.

54. The council included a policy change in its new flexible working framework in relation to hybrid working. From 1 April 2024 hybrid workers are required to attend the workplace for at least two days each week. The Trades Unions felt there was room for improvement in the way this policy change was communicated to staff, but they have subsequently been meaningfully involved in developing the comprehensive guidance that supports this change to the flexible working framework.

### **The council has set out the intended benefits from flexible working in its flexible working framework but has not yet set out how these will be measured**

55. In October 2022, the council conducted a survey of its extended leadership teams to ascertain the impact of workstyle arrangements on service delivery and customer support. At that time, although it was not measured systematically, there was a perception that both productivity and customer experience had been maintained or improved.

56. The council articulated the intended benefits from flexible working in its flexible working framework:

- **Benefits for our customers and community** - improved local access to services, increased times of access to council representatives
- **Benefits to the organisation** - potential to attract and retain a wider range of talent, becoming a more inclusive and diverse employer, productivity/output improved, reduced carbon footprint.
- **Benefits to the employee** - improved work/life balance, benefits to wellbeing, reduction in commuting, wider range of opportunities accessible.

57. Although the flexible working framework contains a section on how the council will measure effectiveness, no specifics are provided in relation to how this will be done. Also, as noted above, the recent employee survey did not contain questions that would allow an analysis of employee wellbeing by workstyle.

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### Recommendation 3

The council should develop measures to assess the impact of its flexible working framework on staff productivity, wellbeing, and service performance to ensure these are being maintained or improved.

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#### **In 2023/24 the council used around 250 casual members of staff to help provide vital services. The council reported an increase of over ten per cent in spending on its use of casual workers between 2022/23 and 2023/24**

58. In 2023/24 the council used around 250 casual or peripheral members of staff to provide key services across the council, e.g. in schools, social care, and waste services. These are not permanent employees and are paid only for the actual time they work. They also do not receive all the benefits of full-time employment such as paid sick leave. There may be the opportunity for the council to permanently recruit some of its current casual workers, but many casual workers enjoy the freedom that this provides them and will not want to become permanent employees of the council.

59. The council reports its spend on its casual workforce in its annual Financial Workforce Profile. In 2023/24 the council spent £7.5 million, an increase of ten per cent (around £700,000) from 2022/23. In the associated commentary it notes that a contributing factor to this rise is teacher supply costs increasing by almost £500,000. This was due in part to the pay award and an increase in days lost due to sickness from 7.6 to 9.1 days.

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# Developing future skills and capacity

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The council is facing challenges with recruitment and retention of staff and has initiatives in place to address this. It has introduced programmes to develop staff skills and capacity.

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## **Developing the skills and capacity of the future workforce will be key to councils reducing vacancy rates and filling senior posts**

60. 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.

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

## **The council is facing challenges with recruitment and retention of staff and has initiatives in place to address this. It has introduced programmes to develop staff skills and capacity**

62. The council has a number of initiatives in place to develop the skills and capacity of its existing workforce and future workforce. This includes growing its own talent, its apprenticeship programme, and Job Academy, and the Leadership for All programme.

63. The council is aware it has an ageing workforce and is looking at ways to increase its younger workforce. The council has a modern apprenticeship programme in place. The People and Culture team works closely with schools, the Developing the Young Workforce representatives and external employability groups throughout the year to make sure opportunities reach the widest target audience, at the appropriate time in the school and college year.

64. Throughout the programme, modern apprentices and their supervisors can attend monthly Connection events, which are designed to provide them with additional knowledge and skills that help them in their current or future roles.

65. Nearing the end of their apprenticeship, modern apprentices can join the Job Academy which supports them to secure permanent or longer-term fixed employment within the council. The council identifies suitable entry level graded vacancies and ring-fences them for modern apprentices to apply for, prior to being advertised. From April 2022 to December 2023, five modern apprentices were successful in gaining employment through the Job Academy, with a further thirty-three gaining employment with the council through internal recruitment.

66. Modern apprenticeship posts are either fully funded by the employing service or part-funded through a request for support from the Corporate Fund. However, the Corporate Fund budget has been reducing annually and will be removed entirely from April 2025. This may affect the numbers of modern apprenticeships offered across the council.

67. As part of the Leadership Review a leadership competency framework was developed to ensure that leaders are aware of the skills, knowledge and behaviours that are required of them, to deliver the council's vision and strategic outcomes, while focussing on a collaborative approach. This includes five leadership competencies that are broken down into three levels: Chief Executive, Directors, and Strategic Leads; Line Managers; and Employees. These have been embedded into values-based recruitment for Strategic Leads, Performance Development Discussions, and induction.

68. A Leadership for All programme was co-designed with managers across the organisation in 2023 to provide managers with the skills, knowledge, and confidence to lead and manage. The programme is open to all staff and particularly those who aspire to management roles in the future. The programme includes workshop style sessions and informal connection events and various tools and methods are used including coaching sessions. Since its launch in April 2023 the programme has reached around 520 individual learners with 49 learning sessions offered so far.

**The council has a number of hard-to-fill roles and has implemented programmes to improve recruitment to these, such as career grade structures in engineering and piloting new recruitment policies for newly qualified social workers**

69. There are several areas within the council that have hard to fill roles, such as social work, adult social care, Headteacher, Depute Headteacher, specific subject teaching posts and engineering professionals. The council introduced a career grade structure in Property Services to address the challenge of recruiting engineers.

70. The career grade structure sought to develop staff with relevant experience in the construction industry by recruiting them into entry level positions and providing an opportunity to gain further academic qualifications. The combination of practical experience and study allowed these employees to progress on a career grade path leading to them becoming electrical and mechanical engineers with the council.

71. Within social work, to help alleviate the challenges in recruiting social workers, work has been done to support newly qualified social workers and student social workers to apply for social work vacancies. Students who have recently completed their course but have yet to graduate can be recruited to vacancies but will be temporarily appointed as a Social Work Assistant until they graduate.

72. The council identified that students on placements or currently completing their dissertations are not permitted to apply for social work vacancies. It is proposed that recruiting managers should identify appropriate vacancies and the advertising of these should coincide with students completing their placement / dissertation with the council. Also, where social worker vacancies are identified for internal only applicants, these should be ringfenced to students and shared with all relevant Scottish universities at the same time as internal advertisement. The council believes this will provide a pipeline of future talent in a hard to recruit to area.

### **The Health and Social Care Partnership (HSCP) has introduced programmes and created career pathways to tackle the recruitment issues in adult social care**

73. In response to the social care recruitment challenges the council and the health and social care partnership are facing, the council participated in the Scottish Government's International Recruitment programme in 2023/24. This targeted recruitment resulted in six employees being recruited from the Philippines and the development of a support programme and induction for other new employees being recruited from overseas. The lessons learned from taking part in the programme are being developed and the plan is to incorporate these into specific workforce plans.

74. The HSCP has been working to develop a clear pathway into a career in care. It has been working with other partners to develop a website that contains informational videos and infographics that show what a career in care looks like and what learning and development is available. It has also been working with local secondary schools to promote a career in care.

### **The council has not carried out any organisation-wide skills assessment of the workforce or impact of workforce development programmes**

75. The council has not carried out a skills assessment of the wider workforce. The council introduced a refreshed Performance Development Discussion which allows staff to have a review meeting on an annual basis about their skills and development. The actions and outcomes from the discussion is recorded and continue to be reviewed on a regular basis. The system used for recording PDD outcomes allow the HR team to have an overview of development requests and skills gaps which allows them to have a more focused approach to learning and development.

76. The council has undertaken limited evaluation of the impact and successes of the workforce development programmes it has in place.

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# Joint workforce arrangements across services and partners

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The council is involved in an extensive number and variety of shared services arrangements and partnerships across Tayside. The council participates in various other partnerships outwith Tayside and shared working arrangements that provide workforce-related benefits.

Tayside Contracts Joint Committee is supporting the council to realise efficiencies, economies of scale, promote shared learning and smooth out workforce pressures across the region within their construction and facilities services.

The council's involvement in the Tayside Regional Improvement Collaborative (TRIC) is facilitating shared learning and leadership to deliver workforce benefits and opportunities across the region.

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## **Collaborative working across services and partners will be essential to allow councils to continue to deliver high-quality services to the public**

77. 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.

78. 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 is involved in an extensive number and variety of shared services arrangements and partnerships across Tayside**

79. The council's joint working with its Tayside partners is allowing it to take advantage of efficiencies of scale, better respond to fluctuations in demand and share learning. These arrangements help ensure that the best use is made of existing staff and resources and that the opportunities and skills of the wider local workforce are increased.



## **Tayside Contracts Joint Committee is supporting the council to realise efficiencies, economies of scale, promote shared learning and smooth out workforce pressures across the region within its construction and facilities services**

80. The council participates in a long-standing shared services trading organisation, Tayside Contracts, with partners in Tayside. Formed in 1996, Tayside Contracts provides services on behalf of Angus Council, Dundee City Council and Perth and Kinross Council to deliver a range of construction and facilities services.

81. Pooling resources has allowed the council, and partners, to realise efficiencies of scale, smooth out fluctuations in demand across the Tayside region and promote shared learning. It has also allowed the retention of specialist services and expertise in the region which may not have been economically viable otherwise.

82. The council also has a Road Maintenance Partnership and Street Lighting Partnership in place with the other Tayside councils and Tayside Contracts which have been operating since 2012 and 2006 respectively. Similarly, these arrangements allow the council opportunities to make staff cost savings on organisational support structures, accommodate workload fluctuations across the region and maintain expertise and specialisms.

## **The council's involvement in the Tayside Regional Improvement Collaborative is facilitating shared learning and leadership to deliver workforce benefits and opportunities across the region**

83. The council is part of the Tayside Regional Improvement Collaborative (TRIC) along with the other Tayside councils, NHS Tayside, and Police Scotland. The purpose of the collaborative is to provide multi-agency cross-border leadership towards planning, management, commissioning, delivery, evaluation, and improvement of some services to children, young people, and families. Its work is currently focused on five priority areas, as set out in its [Tayside Plan for Children, Young People and Families 2023-2026](#).

84. The TRIC provides a number of workforce related benefits including through shared learning from case reviews, developing shared guidance and leadership induction programmes. It also facilitated the development and roll out of an Early Years Tracking tool in 2022/23. The aim of the tool is to increase the productivity of Early Learning and Childcare staff allowing more timely and targeted support for children's learning and development.



## **The council participates in various other partnerships and shared working arrangements that provide workforce related benefits**

85. Other shared arrangements the council participates in, with the aim of providing a range of workforce related benefits, include:

- The Tay Cities Region Deal - a partnership between local, Scottish and UK governments and the private, academic, and voluntary sectors which seeks to create a smarter and fairer Angus, Dundee, Fife and Perth and Kinross under the headings Inclusive Tay; Innovative Tay; International Tay; Connected Tay and An Empowered Tay.
- Scottish Child Interview Model - Multiagency approach with social workers working across Tayside with other councils and the police.
- Bairns Hoose – A national pathfinder project bringing together the Tayside councils, police, and NHS Tayside to provide child-centred and trauma-informed support from all agencies who support children and young people.
- Tayside Resilience Partnership – A Learning and Development Co-ordinator (civil contingencies and emergency planning) jointly funded with Angus and Dundee City Council.
- Society of Personnel and Development Scotland (SPDS) – The council sits on a range of SPDS national groups, including those concerned with the workforce which facilitate shared learning, case studies, benchmarking, and work on pay gaps.
- Health and Safety System (Evotix) – A system jointly procured with Angus Council and Clackmannanshire Council allowing shared learning/troubleshooting between the councils.
- Shared Digital Alarm Receiving Centre (ARC) Platform – Part of a national procurement anticipated to increase productivity with call response times and better quality information collection.
- Digital Partnership Board – The council’s Chief Executive was appointed as the co-chair of the Digital Partnership Board for the Digital Office for Scottish Local Government. The Digital Partnership is a partnership between COSLA, SOLACE, SEEMiS, Socitm, Scotland Excel, the Scottish Government and the Improvement Service and supports councils with their digital transformation.

86. There will be inherent workforce related benefits arising from each of the shared working arrangements that the council has with its partners in Tayside and further afield.

87. A formalised consideration of the workforce and workforce productivity benefits of these arrangements, including the impact on outcomes, would allow any lessons learned to be shared and applied when creating new, or developing existing, shared working arrangements.

88. The council should continue to explore and build on opportunities to work more closely with partners to realise efficiency gains and wider benefits to the workforce sustainability and service delivery.

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## **Recommendation 4**

The council should develop a formalised analysis of the workforce related benefits arising from shared service arrangements and further explore additional opportunities for shared service arrangements.

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# Measuring the impact of workforce planning

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The council has agreed proposals to report to elected members and the senior leadership team on the delivery and impact of the People and Culture Strategy 2024-28, but arrangements for reporting on service level workforce plans are still to be finalised.

The council is developing measures and targets to monitor and report on progress against the People and Culture Strategy 2024-28

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## **It is important that management monitor the impact of their workforce planning and delivery approaches to ensure the effectiveness of workforce planning arrangements**

89. To assess whether the council's workforce planning arrangements are effective, it is important that management 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.

## **The council has agreed proposals to report to elected members and the senior leadership team on the delivery and impact of the People and Culture Strategy 2024-28, but arrangements for reporting on service level workforce plans are still to be finalised**

90. As detailed in paragraph 11. , the council's People and Culture Strategy 2024-28 was approved by the Finance and Resources Committee in June 2024. The strategy states that progress against it will be reported on an annual basis to the Finance and Resources Committee.

91. The terms of reference for the Workforce Planning Themed Board were agreed at the first board meeting in September 2024. It is proposed that the Board will meet every two months and provide annual progress reports on the People and Culture Strategy to the Finance and Resources Committee. The Board will also provide progress reports to the Strategic Leadership Team and update trade unions through the joint consultative committee meetings and annual invitations to attend Board meetings.

92. The Workforce Planning Themed Board should help strengthen the council's overarching approach to workforce planning and ensure ownership lies with strategic leads rather than the People and Culture team. The Board will comprise representatives from different services as well as the HSCP and Trades Unions and will also act as channels for sharing ideas, providing examples of good practice from operational teams as well as guidance for managers and employees.

93. As detailed at paragraph 25, the council intends to develop individual service level workforce plans. The council will need to set out its approach to monitoring and reporting on these plans. This is not specified in the current draft terms of reference for the Workforce Planning Themed Board.

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## Recommendation 5

The council should set out its arrangements for monitoring and reporting on service level workforce plans.

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### **The council is developing measures and targets to monitor and report on progress against the People and Culture Strategy 2024-28**

94. The council has set out, in its People and Culture Strategy 2024-28 action plan, what performance measures it intends to use to capture the impact of its workforce planning approach. But this still needs further developed for example through setting specific and stretching targets, use of baseline data and the consistent use of outcome rather than output measures. This will allow meaningful reporting of the success of its workforce planning measures. The Workforce Planning Themed Board will be involved in developing and agreeing these.

95. Monitoring against the previous Workforce Plan 2021-23 lacked performance data and relied on a narrative of progress against the actions in the workforce plan and next steps.

96. Limited performance information is reported to elected members outwith progress reports on corporate workforce planning. The council submits workforce related measures on an annual basis to the Local Government Benchmarking Framework and these are shared with elected members through briefing notes.

97. The council produces more detailed data on its changing workforce in its annual Workforce Financial Profile. This information is shared with management but not formally with elected members (see paragraph 23).

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## **Recommendation 6**

The council should further develop SMART measures and targets to assess the impact and effectiveness of its workforce planning actions in the People and Culture Strategy 2024-28.

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# Appendix 1

## Improvement Action plan

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Service level workforce plans</b></p> <p>Service workforce plans are being developed and the council is developing its systems to provide access to service level workforce data.</p> <p><b>Risk</b> - the council may fail to deliver on the People and Culture Strategy.</p>	<p>The council should ensure its service level workforce planning measures align with actions in the People and Culture Strategy 2024-28 action plan as well as agreeing any additional service level workforce measures.</p> <p><b>Paragraph 25.</b></p>	<p>Management response/agreed action:</p> <p>This is part of the remit of the Workforce Planning Themed Board who will monitor and agree actions within the People &amp; Culture Strategy. HSCP has a separate Strategy and governance and reporting arrangement in place.</p> <p>Education &amp; Learning undertakes annual staffing exercise. All other Strategic leads will develop their own service workforce plans that will be collectively reviewed at the Workforce Planning Themed Board, ELT, and Committee.</p> <p>Responsible officer: Strategic Lead – Strategic Planning, People and Performance</p> <p>Agreed date: Ongoing and annual update to Finance &amp; Resources Committee</p>
<p><b>2. Quantifying workforce benefits from the introduction of digital technology</b></p> <p>The council has established many workforce benefits and productivity gains of its digital technology improvements but there is scope for more of these to be quantified.</p> <p><b>Risk</b> - There is a risk that the council does not fully</p>	<p>The council should build on the work it has done to date to demonstrate and quantify what workforce benefits and productivity gains have been made through its use of digital technology.</p> <p><b>Paragraphs 40 to 42.</b></p>	<p>Management response/agreed action:</p> <p>The council will continue to grow the culture of embedding a standardised approach to Benefits Realisation: baselining service delivery costs and related “softer” metrics at the start of any improvement journey to ensure the impact of digital technology and new</p>

understand the workforce benefits from digital technology improvements to inform future decision-making.

ways of working is maximised for improving efficiency of our workforce and outcomes for employees and citizens of Perth and Kinross.

Responsible officer: Strategic Lead for Customer & Digital Services

Agreed date: December 2025

### 3. Flexible working benefits

Although the council's flexible working framework contains a section on how the council will measure effectiveness of the framework, no specifics are provided in relation to how this will be done.

**Risk** - There is a risk the council is not aware of the impact of flexible working on wellbeing and productivity.

The council should develop measures to assess the impact of its flexible working framework on staff productivity, wellbeing, and service performance to ensure these are being maintained or improved.

[Paragraph 57.](#)

Management response/agreed action:

Strategic Leadership Team, Performance Improvement Team and People and Culture team will devise arrangements to capture qualitative and quantifiable data via pulse surveys, employee survey actions and feedback. Consideration will be given to how this can be captured via data and technology i.e. PK Performs to provide a standard approach in terms of performance monitoring.

Responsible officer: Strategic Lead – Strategic Planning, People and Performance

Agreed date: September 2025

### 4. Workforce-related benefits from shared service arrangements

There will be inherent workforce related benefits arising from each of the shared working arrangements that the council has with its partners in Tayside and further afield.

**Risk** - Lessons are not learned and applied when creating new, or developing

The council should develop a formalised analysis of the workforce-related benefits arising from shared service arrangements and further explore additional opportunities for shared service arrangements.

[Paragraphs 86 to 88.](#)

Management response/agreed action:

The Workforce Planning Themed Board will determine an approach to identify agreed measures and performance monitoring arrangements.

Responsible officer: Strategic Lead – Strategic Planning, People and Performance

existing, shared working arrangements. The council may not be utilising opportunities for shared services and collaboration opportunities across partner organisations.

Agreed date: September 2025

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### 5. Monitoring and reporting on service level workforce plans

The council will need to set out its approach to monitoring and reporting on service level workforce plans

**Risk** – service level workforce planning arrangements may not be supporting the delivery of the People and Culture Strategy.

The council should set out its arrangements for monitoring and reporting on service level workforce plans.

[Paragraph 93.](#)

Management response/agreed action:

This will be discussed with the Workforce Planning Themed Board to agree how to take this forward in respect of monitoring progress and reporting arrangements.

Responsible officer: Strategic Lead – Strategic Planning, People and Performance

Agreed date: March 2025

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### 6. Measuring the impact of workforce planning

The council has still to develop measures and targets to monitor and report on progress against the workforce plan.

**Risk** - workforce planning arrangements may not be supporting the delivery of the council's strategic priorities.

The council should further develop SMART measures and targets to assess the impact and effectiveness of its workforce planning actions in the People and Culture Strategy 2024-28.

[Paragraph 94.](#)

Management response/agreed action:

This will be discussed with the Workforce Planning Themed Board to agree how to take this forward in respect of identifying measures to monitor progress, refreshing new or emerging priorities and reporting arrangements.

Responsible officer: Strategic Lead – Strategic Planning, People and Performance

Agreed date: June 2025

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# Workforce innovation - how councils are responding to workforce challenges

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