

Shetland Islands Council

**Best Value thematic review 2023/24:
Workforce Innovation - how councils are responding
to workforce challenges**



Prepared by Audit Scotland
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Key facts



Workforce 2022/23

3,734	Number of people working for the council – headcount
2,380	Number of people working for the council – full time equivalent
2,494	Number of casual and temporary contracts
13.7%	Turnover of staff in 2023/24
12.8	Days lost due to absence in last year per employee



Age profile

46%	16 to 45
27%	46 to 55
27%	56+

Key messages

- 1** The council continues to face significant recruitment challenges to fill vacant positions. The Workforce Strategy 2020-25 and Workforce Plan set out the council's guiding principles that it will use to address the council's challenges and workforce priorities.
- 2** The council does not presently have service-level workforce plans, and progress has been slow to develop these. Council services are in the process of developing service-level workforce plans to fully understand the council's workforce challenges and opportunities and to help support the delivery of the workforce strategy and plan.
- 3** The council has committed to the better use of technology, but it is at an early stage of its digital adoption compared to other councils and lacks a consistent and strategic approach across services. The council provides digital training opportunities for staff but more needs to be done to address digital exclusion of staff.
- 4** The council's flexible working policy has been developed to support the council and employees in achieving a positive work-life balance, and the council has used its flexible working policy to recruit difficult-to-fill posts.
- 5** The council is exploring different initiatives to address workforce challenges such as its 'grow our own' programme but it recognises the need for scaling up its efforts while vacancies are increasing. The council is still to fully understand its skills needs and gaps.
- 6** The council has effective partnership working in place, working well with its partners.
- 7** The absence of service level workforce plans means the council doesn't have an overall strategy of how temporary, relief and casual contracts are used to support council services. The council has set up a project group to collate an overview of the use and numbers of temporary and casual workers and to better understand how they are being used by services.
- 8** Council services report quarterly on performance to their relevant committees. This includes risks associated with staff recruitment and retention, but the council is still to develop a set of performance indicators to monitor and report against the 18 key measures set out in its workforce plan.

Scope of the audit

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](#) noted 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 Shetland Islands 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 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?

4. An improvement action plan is included in [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 the council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

Workforce strategy and priorities

The council continues to face significant recruitment challenges to fill vacant positions. The Workforce Strategy 2020-25 and Workforce Plan set out the council's guiding principles that it will use to address its workforce priorities.

The council does not presently have service-level workforce plans, and progress has been slow to develop these. Council services are in the process of developing service-level workforce plans to fully understand the council's workforce challenges and opportunities and to help support the delivery of the workforce strategy and plan.

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 underpinned with detailed workforce plans within services.

The council continues to face significant recruitment challenges to fill vacant positions

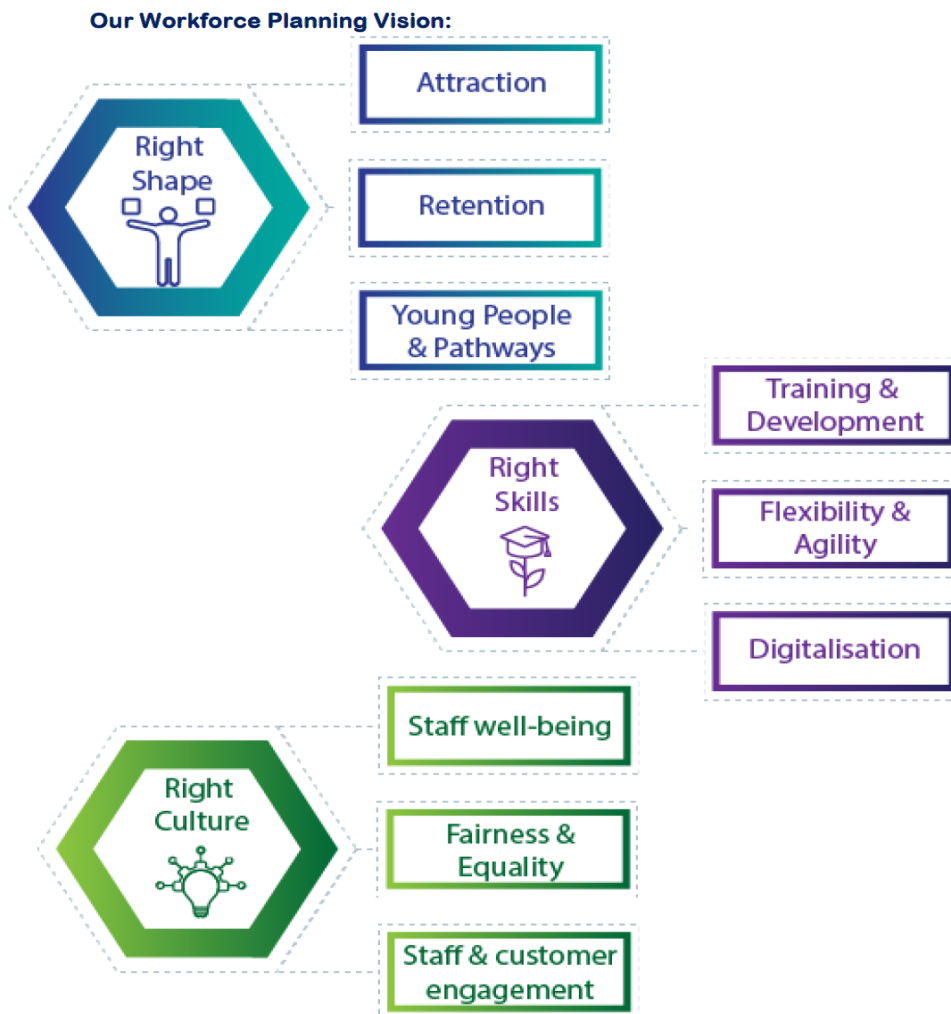
9. In January 2024 the council published '[Our Workforce Challenge](#)', which set out that the council continues to face significant recruitment challenges to fill vacant positions. This problem is even more challenging in some areas of the council, such as community, health and social care which is dependent on the use of agency workers. There are more jobs on the Shetland Islands than people to do them, and the profile of the council's workforce is getting older, with council staff retiring earlier and a high proportion reaching retirement age.

The Workforce Strategy 2020-25 sets out the council’s guiding principles that it will use to address its workforce priorities

10. The council has a Workforce Strategy 2020-25, which was approved by the policy and resources committee in December 2020. The workforce strategy is designed to support the delivery of the council’s corporate and medium-term financial plans. The strategy’s main objectives are to attract, retain and develop talent to meet current and future workforce requirements to create a sustainable workforce.

11. The Workforce Strategy 2020-25 has three guiding principles, Right Shape, Right Skills and Right Culture which will be used to address the council's challenges and workforce priorities ([Exhibit 1](#)).

Exhibit 1 Workforce Strategy 2020-25 – Guiding Principles



Source: Shetland Islands Council – Workforce Strategy 2020-25

The Workforce Plan 2021-2026 has been developed to focus on recruitment and supporting the development of the council's workforce

12. The council also has a Workforce Plan 2021-2026, which was produced in collaboration with each directorate and approved by the Policy and Resources Committee in April 2021. The plan has been developed to focus on recruitment and supporting the development of the council's workforce.

13. The Workforce Plan is due to be reviewed on an annual basis; however, the 2022 review was delayed due to other priorities. The first review of the Workforce Plan 2021-2026 was completed and approved by the Policy and Resources Committee in June 2023 and considered recommendations made following an internal audit review of the council's succession and workforce planning arrangements.

Recommendation 1

The council should ensure that its workforce plan is reviewed regularly and incorporate information from service-level workforce plans once they have been developed.

The council does not presently have service-level workforce plans and is undertaking work to develop these to support the delivery of the council's workforce strategy and plan

14. Workforce planning has generally been led by the council's Human Resources (HR) team, with the council directorates expected to contribute towards the delivery of the workforce plan. The council advised in its internal audit assessment on succession planning and workforce arrangements, completed in April 2023 that 'the approach to workforce and/or succession planning tends to be more fluid and agile that respond to opportunities and challenges, rather than being part of a clear plan'.

15. The council HR team has developed a template, workforce profile data, guidance, and training for services to use to develop service-level workforce plans to fully understand the council's workforce challenges and opportunities, and options for service redesign. These were sent to directors, executive managers and team leaders of service directorates in May 2024.

16. The process of developing service-level workforce plans has been split into four stages:

- **Stage 1 – Where are you now?** Analysing the current make-up and skills of each service workforce (workforce profile, supplementary staffing, service-specific information and corporate information)
- **Stage 2 – Where are you trying to get to?** Identifying the future workforce required to deliver changing services – to ensure services have the right people, in the right place with the right skills to deliver sustainable services

- **Stage 3 – What are the gaps?** Highlighting shortages, surpluses and competency gaps in staff.
- **Stage 4 – How are you going to get there?** Planning how services will change their workforce to meet service needs.

17. Executive managers for each service directorate are presently working on developing service workforce plans, at the date of this report, the work to develop the service level workforce plans is still ongoing.

Recommendation 2

The council needs to finalise its service level workforce plans so that these can support the delivery of the council's workforce strategy and plan.

Digital technology and the workforce

The council has committed to the better use of technology, but it is at an early stage of its digital adoption, compared to other councils and lacks a consistent and strategic approach across services. The council provides digital training opportunities for staff but more needs to be done to address digital exclusion of staff.

Digital technology will be essential in supporting the workforce to deliver efficient and effective council services in the future

18. The [Local Government 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.

19. 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.

20. 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 committed to the better use of technology, but it is at an early stage of its digital adoption compared to other councils and lacks a consistent and strategic approach

21. Poor digital connectivity has been a challenge for Shetland with around 20 per cent of homes and businesses still to access superfast broadband (delivering speeds greater than 30 Mb/s) compared to 3.5 per cent in Scotland overall (the proportions are as of August 2024). The council identifies improving digital connectivity as one of ten priorities in its corporate plan, Our Ambition has been working with UK and Scottish Governments, the industries and the communities to address this.

22. The corporate plan also includes two commitments around the workforce and the use of technology:

- developing a modern, efficient and flexible workforce with the right values, behaviours and skills through delivering the actions in our Workforce Strategy.
- using technology to support modern, accessible customer interactions, to be a catalyst for cross-council service improvement and to support flexible working practices.

23. To meet those commitments, the Workforce Strategy 2020-25 focuses on the development of 'Right Shape, Rights Skills and Right Culture' and sees digitalisation as a tool to enhance remote/flexible working and service transformation. The accompanying Workforce Plan aims to adopt the increased use of technology in areas such as recruitment, training, staff communication and process automation.

24. The council recognises a slower pace of progress in terms of adopting digital infrastructure compared to other councils. The Information and Communications Technology (ICT) and Digital Strategy (updated in December 2023) sets out the key projects and the timeline of those over the next five years. The majority of projects are around connectivity and system replacement/upgrade, reflecting that the council has a number of legacy systems which require ongoing maintenance and investment. For 2023/24, this includes the rollout of Microsoft Office 365 and the replacement of the HR and payroll system.

25. The implementation of the ICT and Digital Strategy is overseen by the ICT Management Board which has representatives from across the council and this will help improve workforce productivity and service delivery. However, the strategy does not cover much detail about what the individual services are planning to do with digital opportunities. The council confirmed that each service leads its own service redesign, including how best to adopt technology.

26. The current approach can lead to inconsistent digital adaptation by service. There is a risk of experience and learning not being effectively shared within and beyond the individual services.

27. The council is still to develop operational workforce plans at the service level ([paragraph 17.](#)). Producing those plans would benefit both those services and the council. It would help the individual services identify opportunities for digital transformation and collaboration. This will strengthen the council's 'digital-first approach' and help the council align digital transformation with its overall strategic planning set out in Our Ambition and the Medium-Term Financial Strategy.

Recommendation 3

The council should develop a consistent joined-up approach to develop and adapt digital services to help improve workforce productivity and service delivery.

Recommendation 4

As the council is at an early stage in the adoption of digital infrastructure it should look at how other councils have integrated systems to improve workforce productivity and service delivery.

The council provides several digital training opportunities for staff but more needs to be done to address digital exclusion of staff

28. The council conducts a staff survey every three years. The 2024 survey results show some improvements in the technology-related questions compared to 2020 ([Exhibit 2](#)).

Exhibit 2

Shetland Islands Council 2024 staff survey results (technology-related questions)

Statement	Proportion of respondents who agreed with the statement	
	2020	2024 (percentage point change)
Overall score	77.2	73.7 (-3.5)
I have the right tools/equipment (including appropriate digital access) to do my job well	74.9	77.3 (+2.4)
I have received the appropriate training to do my job	72.8	78.4 (+5.6)
I am able to access the right training and development opportunities	69.5	77.4 (+7.9)

Notes 1: The training above covers all training which is not limited to digital training.

Notes 2: The response rate was 37 per cent in 2024, lower than 45 per cent in 2020.

Source: Shetland Islands Council, 2024

29. The council has made a number of online training courses available to staff. In 2021 it set up the digital support team, initially recruiting 11 volunteers. The team supports testing and rolling out of the new systems and responds to queries on ICT from staff. The council has rolled out the staff engagement online portal site, which provides access to key information in one place and encourages communication among staff.

30. There are some examples where the council is acting to increase digital inclusion. It reviewed the online recruitment process to ensure it works for applicants with disabilities. The council has a plan in place, working to improve digital learning and teaching at school and in the community and to address digital exclusion. Digital skills development for staff, pupils and the community is a key part of this.

31. However, the council recognises that more work needs to be done to ensure inclusive communication. Internally, it is considering how to better reach non-desk-based staff. This includes understanding the barriers those staff are currently experiencing to access the system and identifying actions to address them. For example, the council is aware of the need to make its staff portal system more mobile-friendly.

32. The council is also improving the way it engages with the public. In March 2024, the council created the Participation and Engagement Policy. It aims to help provide a more consistent online experience for the public. Alongside this, working with partners, the council is developing an online Participation Hub on the Shetland Partnership website. The site will include a toolkit of different engagement methods and case studies of engagement and participation activity.

Flexible working and other innovative staff deployment

The council's flexible working policy has been developed to support the council and employees in achieving a positive work-life balance, and the council has used its flexible working policy to recruit difficult-to-fill posts.

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

33. 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.

34. 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.

The flexible working policy has been developed to support the council and employees in achieving a positive work-life balance

35. The council had a flexible working policy in place prior to the Covid-19 pandemic. The council used this policy to assist the council in providing service continuity in adverse weather conditions. The use of flexible working has increased since the Covid-19 pandemic.

36. The council's flexible working policy has been developed to support the council and employees in achieving a positive work-life balance, in line with the council's core values. The council is committed to supporting flexible working as much as possible. Flexible working allows staff to work from home or work in a hybrid way with time at home and in the office, although this will depend on the nature of the individual role.

The council has used its flexible working policy to recruit difficult-to-fill posts

37. The council has been able to use its flexible working policy to encourage recruitment, especially in harder-to-fill posts, and it has incorporated the 'happy to talk flexibly' message in its recruitment campaigns. The council has had long-standing difficulties in recruiting and retaining planning professionals. By using its "happy to talk flexible" approach the council's Planning Service has recruited planning professionals who are based outside Shetland, coming here for an agreed number of weeks each year. Additionally, the council has been able to

retain staff who have to be on the mainland, for example for caring responsibilities, because they can work remotely either for a period, or longer term.

38. As well as flexible working the council offers a range of other working arrangements including:

- Part-time and term-time working arrangements
- Job Share Policy
- Time off for Dependents
- Family Leave including Parental Leave, Shared Parental Leave, Surrogacy Leave and Adoption Leave
- Compassionate and other special leave

39. The council is aware that limited connectivity in some areas limits the potential to work remotely. The council plans to review its flexible working policy in late 2024. This review will take place in consultation with the trade unions.

The council employee survey notes that the flexible working policy has had a positive impact on most employees' work-life balance

40. The most recent staff survey has been undertaken in 2024. There were 1,066 responses received. The number of employees completing the survey has reduced year on year with a 27.5 per cent reduction in responses received since 2015.

41. The staff survey had a section on work-life balance. Employees were asked three questions:

- I am able to achieve a good balance between my work life and my personal life
- I am usually able to complete my work within my contracted work hours
- I can work flexible hours and/or location to get my work done

42. The overall score for these three questions has increased from 58 per cent in 2015 to 64.1 per cent in 2024.

43. The employee survey noted that 70.2 per cent of employees reported being able to achieve a good balance between their work and personal life which is the highest-scoring question out of the three. The council is completing further work to analyse the survey results.

Developing future skills and capacity

The council is exploring different initiatives to address workforce challenges such as its 'grow our own' programme but it recognises the need for scaling up its efforts while vacancies are increasing. The council is still to fully understand its skills needs and gaps.

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

44. 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.

45. 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.

The council is exploring different initiatives to address workforce challenges but it recognises the need for scaling up its efforts while vacancies are increasing

46. Recruitment and retention of staff has proved difficult across the council. Its remote rural location presents challenges, including the lack of affordable housing, poor connectivity (both digital and transport) and high costs of living. This is in addition to some issues recognised across Scotland such as an ageing workforce and increased demands on services.

47. The council is taking action to have the right people with the right skills in the right places. For example, targeting hard-to-fill posts:

- the council is running the Promote Shetland recruitment campaign to attract people to live, work and study in Shetland. This includes a dedicated [webpage](#) for teaching, planning, and social care roles. Since 2022, the council has successfully filled five planning officer posts.
- the council offers a package of support (up to £8,000 per person) to help new staff relocate. Over the last three years, it has supported 52 new employees, at a cost of around £233,000.

48. The council is also providing employment opportunities for young people. The initiatives include:

- apprentices: the council employs 44 Modern Apprentices and eight Graduate Apprentices across services (as of June 2024) with the prospect of some staying in the council after completing the programme.
- Graduate Development Scheme: in 2024/25, the council will provide up to eight graduates with on-the-job training. Successful completion after two years will lead to an opportunity to fill the vacant posts within the council.
- working with partners such as Skills Development Scotland, UHI Shetland and Developing the Young Workforce Shetland, the council promotes career development opportunities within it by participating in local career events and hosting school visits.
- working with NHS Shetland and UHI Shetland, the council has been offering work placements for young people with additional support for learning. Over the last five years, eleven completed the programme and eight of them have secured employment (not necessarily with the council).

49. The council recognises the need to support the existing workforce and promote retention:

- Grow Our Own social workers/teachers: in 2023/24, supporting eight employees to complete the BA (Hons) Social Work Distance learning degree from Robert Gordon University; seven employees to complete the Professional Graduate Diploma in Education in UHI Shetland
- career pathways: the council has developed career pathways in social care. Working with staff and trade unions, it reviewed job profiles and person specifications for 13 roles to date, covering around one third of postholders in the council, including all social care workers.
- upskilling/reskilling: in 2023/24, the council supported 190 employees completing qualifications as part of career development and succession planning.

50. In March 2024, to further support continuous professional development, the council refreshed its workforce development policy. The Learning at Work Policy aims to ensure that all staff, regardless of their employment status or length of contract, can access training and career development opportunities at work. The council incorporated staff's views via different routes such as staff surveys and a short-life working group. Compared to the previous 2017 policy, it applies to all staff including teachers and focuses more on growing our own skills such as through apprenticeships.

51. In recent years, the council has updated other HR policies which aim to develop a sustainable workforce, including:

- Continuous Conversations Policy: This aims to support individuals' development via regular conversations with managers throughout the year, moving away from annual performance reviews. This was in

response to the previous staff survey and the staff focus group contributed to the development.

- Secondment Policy: it is now applied to external secondments as well as internal ones, giving staff more opportunities.

52. The council recognises the need for scaling up its efforts. In January 2024, in advance of setting the 2024/25 budget, it [outlined](#) the workforce challenge it is facing. The council highlighted that if it had fewer staff, it would need to change the way services would be delivered, highlighting that over 200 FTE (full-time equivalent) posts budgeted were unfilled. The proportion of vacancies in the total workforce has increased from four per cent in 2019/20 to 12 per cent in 2023/24. Over the same period, the size of the workforce has remained consistent at around 2,300.

The council is still to fully understand its skills needs and gaps

53. In response to the recommendation made by the internal audit (April 2023), the council has committed to developing service-level workforce plans to better support its overall workforce plan. Progress has been slow ([paragraph 14.](#)). The council planned to create a template for services by the end of July 2023, but it was in May 2024 when the council shared the template with the services. As of August 2024, the individual services are developing their plans. The council regards the workforce challenges as the 'most significant driver for service change'. Until it establishes the operational workforce plans, it is difficult to fully understand its skills needs and gaps for now and the future and strategically address those.

Joint workforce arrangements across services and partners

The council has effective partnership working in place, working well with its partners.

The absence of service level workforce plans means the council doesn't have an overall strategy of how temporary, relief and casual contracts are used to support council services. The council has set up a project group to collate an overview of the use and numbers of temporary and casual workers and to better understand how they are being used by services.

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

54. 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.

55. 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 effective partnership working in place, working well with its partners

56. The council recognises a need for shared working and works well with its partners including Historic Environment Scotland, Shetland Islands Integration Joint Board, Scottish Environment Protection Agency, Scottish Natural Heritage, Skills Development Scotland, SportScotland, University of the Highlands & Islands, VisitScotland, ZetTrans, Citizens Advice Bureau, Shetland Highlands and Islands Enterprise, NHS Health Improvement Shetland and Voluntary Action Shetland.

57. The Health and Social Care Partnership recognises that shared services regionally may provide a cost saving but create a smaller workforce, increasing the breadth of responsibilities, alongside increased travel.

The council has an external contract for internal audit services

58. The council currently has a three-year contract with Audit Glasgow to provide internal audit services. This contract was agreed in 2022. The change to

outsourcing started back in 2017/18 when the council needed to look at alternative ways of resourcing its internal audit department due to difficulties in recruiting unfilled posts in the department.

59. The alternative arrangement between 2017/18 and 2021/22 saved the council £170,000. When the contract was out for tender in 2022, the council estimated further savings of £148,000.

60. The change to using an external partner has not been without its challenges. In 2021 before the contract was awarded the council surveyed members and auditees. Although members were extremely positive some auditees did not like the remoteness of internal auditors.

The absence of service level workforce plans means the council doesn't have an overall strategy of how temporary, relief and casual contracts are used to support council services

61. The most recent figures show the council has over 2,000 relief and casual contracts in place which equate to around 60 FTE staff, alongside 273 temporary contracts which equate to around 164 FTE staff. Most of these contracts sit within Children's Services or Community Health and Social Care.

62. Being an island community there are accommodation challenges which impact the council's ability to recruit from further afield, with applicants struggling to relocate to the islands.

63. The council is aware of the challenges it faces and in January 2024 it produced a leaflet advising of the key issues ([paragraph 9](#)). Currently, the council has around 90 full-time equivalent (FTE) vacancies in Community Health and Social Care.

64. Last financial year, the council spent £3.2 million on overtime and agency workers in Community Health and Social Care. The projection for 2023/24 is £3.7 million.

65. The issues feature highly within the risk register both for the need for staff and the cost implications of using Agency staff. Each council service is responsible for the use of agency workers, and there is no central register of how these are used by council services. The council has set up a project group to collate an overview of the use and numbers of temporary and casual workers.

Recommendation 5

The council needs to finalise its project work to better understand how agency workers are used by services, to inform strategic planning.

66. The Shetland Health and Social Care Integrated Workforce Plan 2022-2025 Joint workforce plan between NHS Shetland and the council highlights the issues in recruiting and retaining staff, which is similar to both the council and the island. The increased use of agency workers is a concern with work underway to understand the extent to which that is the case and identify root causes to identify solutions. A project is underway, led by Community Care Resources, which is part of the Health and Social Care Partnership, to look at the use of shift patterns and hours of work to identify opportunities to remove unnecessary barriers to recruitment and retention.

Measuring the impact of workforce planning

Council services report quarterly on performance to their relevant committees. Reporting includes risks associated with staff recruitment and retention, but the council is still to develop a set of performance indicators to monitor and report against the 18 key measures set out in its workforce plan.

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

67. 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

Council services report quarterly on performance to their relevant committees. Reporting includes risks associated with staff recruitment and retention

68. Each council directorate reports quarterly on performance to the relevant committee. These reports include measures that monitor savings and the impact on services, and information regarding recruitment and retention of staff. The council has processes in place to monitor risks associated with workforce challenges and planning. These are recorded and monitored by the Corporate Management Team (CMT) as the Risk Board regularly and are reported to the relevant committee. Developing the service level workforce plans will provide fuller information to inform risk monitoring and improve the effectiveness of these processes.

The council is still to develop a set of performance indicators to monitor and report against the 18 key measures set out in its workforce plan

69. The Workforce Plan 2021-2026 has 18 actions, each with key progress measures to assess progress, however, none of the progress measures have targets. The internal audit review completed in April 2023 noted that these were not currently being assessed, monitored reported on. The council has taken steps to incorporate some of these key progress measures into its HR service plan that reports quarterly, however, the council is still to develop a set of baseline HR performance indicators to ensure regular monitoring and reporting of all the workforce plan indicators.

Recommendation 6

The council needs to finalise the development of its set of performance indicators, which should be SMART, to monitor and report against the 18 key measures set out in its workforce plan.

Appendix 1

Improvement Action plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Review of the Workforce Plan was delayed</p> <p>The Workforce Plan 2021-26 is due to be reviewed on an annual basis. The 2022 review was delayed due to other priorities and the first review of the Workforce Plan was completed in June 2023.</p> <p>Risk – without regular review the Workforce Plan may not adequately reflect the current challenges and opportunities facing the council.</p>	<p>The council should ensure that its workforce plan is reviewed regularly and incorporate information from service-level workforce plans once they have been developed.</p> <p>Paragraph 13.</p>	<p>There was a delay to the Strategic Workforce Plan update in 2024 due to the vacancy of the Executive Manager - HR and then prioritisation of Service Workforce Planning Guidance being issued (as per recommendation 2).</p> <p>Agreed Action:</p> <p>The Strategic Workforce Plan was reviewed and updated in Sept/Oct 2024 and an update will go to Policy & Resources Committee on 02 Dec 2024.</p> <p>A further review will take place in 2025 with a new Strategic Workforce Plan developed for 2026 onwards incorporating information from Service-level Workforce Plans as appropriate.</p> <p>Thereafter, the Workforce Plan will be reviewed on an annual basis alongside Service and Directorate plans and the annual budget setting process.</p> <p>Responsible Officer:</p> <p>Executive Manager HR</p> <p>Agreed date:</p> <p>December 2024</p> <p>with annual updates thereafter as required</p>
<p>2. Service level workforce plans</p> <p>The council does not presently have service-level workforce plans, and progress has been slow to</p>	<p>The council needs to finalise its service level workforce plans so that these can support the delivery of the council's</p>	<p>Agreed Action:</p> <p>Service Workforce Planning Guidance was issued to all Directors, Executive Managers and Team Leaders in May 2024. A Workforce Planning Guidance</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>develop these. Council services are in the process of developing service-level workforce plans to fully understand the council's workforce challenges and opportunities and to help support the delivery of the workforce strategy and plan.</p> <p>Risk –the council may fail to deliver on the workforce strategy and plan.</p>	<p>workforce strategy and plan.</p> <p>Paragraph 17.</p>	<p>overview was provided across all Directorates by the Executive Manager - HR between May-Sept 2024. Service Workforce Plans are expected to be living documents, as such a Sharepoint site was created for Service Workforce Plans to be uploaded, once complete, allowing plans to be updated as and when required.</p> <p>Service Workforce Plans have been initiated in all Directorates and completed Workforce Plans started being uploaded to the Sharepoint site in Summer 2024.</p> <p>Ongoing support in completion of Service Workforce Plans is provided by the HR team. The sharepoint site is monitored regularly where plans are reviewed and themes understood, which in turn supports completion of recommendation 1.</p> <p>Responsible Officer: Executive Manager HR</p> <p>Agreed date December 2024 with annual reviews thereafter</p>
<p>3. Joined up approach to developing digital technology and the workforce</p> <p>The council lacks a consistent and strategic approach to the use of digital technology to improve workforce productivity.</p> <p>Risk – This could lead to duplication of tasks, wasted resources and less informed decision-making processes.</p>	<p>The council should develop a consistent joined-up approach to develop and adapt digital services to help improve workforce productivity and service delivery.</p> <p>Paragraph 26.</p>	<p>Agreed action:</p> <p>The ICT Management Board comprises representatives from across all Departments of the Council.</p> <p>Regular updates on Digital First work programmes; information on best practice from other LAs and internal service innovation will be presented to the Board and relevant practices will be promoted using the Council's employee engagement platform.</p> <p>Responsible Officer:</p>

Issue/risk	Recommendation	Agreed management action/timing
		Executive Manager ICT Agreed date: October 2025
<p>4. Adoption of digital technology</p> <p>The council has committed to the better use of technology, but it is at an early stage of its digital adoption compared to other councils.</p> <p>Risk – The council may not have adequate digital technologies to support its workforce to deliver efficient and effective council services in the future.</p>	<p>As the council is at an early stage in the adoption of digital infrastructure it should look at how other councils have integrated systems to improve workforce productivity and service delivery.</p> <p>Paragraph 24.</p>	<p>Agreed action:</p> <p>In addition to sharing best practices (recommendation 3), ICT, Performance and Improvement will engage with services via the Project & Analysis, Digital First and Business Intelligence Teams to document and streamline business processes and embed new ways of working utilising available digital technologies.</p> <p>We will document business transformation projects in Pentana for reporting to senior management and Council Members.</p> <p>Responsible Officer:</p> <p>Executive Manager ICT</p> <p>Agreed date:</p> <p>October 2025</p>
<p>5. Effective service level workforce planning</p> <p>The council has over 2,000 relief and casual contracts in place which equate to around 60 FTE staff, alongside 273 temporary contracts. A lack of service-level workforce plans means the council doesn't have an overall strategy of how temporary, relief and casual contracts are used to support council services.</p> <p>Risk – The current use of temporary and casual contracts may not support strategic planning and delivery.</p>	<p>The council needs to finalise its project work to better understand how temporary and casual workers are used by services, to inform strategic planning.</p> <p>Paragraph 65.</p>	<p>Agreed action:</p> <p>A number of projects have been initiated that will require work to be done with regard to the use of agency workers to supplement the in-house workforce.</p> <p>An overview will be maintained by the Council's PMO with regular updates to CMT as the Sponsoring Group for all the Council's change programmes.</p> <p>A report on progress and detailed timelines for any remaining work with regard to agency workers will be presented to the next meeting of the Sponsoring Group on 19 November 2024.</p> <p>Responsible Officer:</p> <p>Director Corporate Services</p>

Issue/risk	Recommendation	Agreed management action/timing
		<p>Agreed date:</p> <p>Report to CMT on 19 November 2024 with timelines for work streams.</p>
<p>6. Measuring the impact of workforce planning</p> <p>The council has still to develop measures and targets to monitor and report on progress against the workforce plan.</p> <p>Risk – workforce planning arrangements may not be supporting the delivery of the council's strategic priorities.</p>	<p>The council needs to finalise the development of its set of performance indicators, which should be SMART, to monitor and report against the 18 key measures set out in its workforce plan.</p> <p>Paragraph 69.</p>	<p>Agreed action:</p> <p>This recommendation is fully agreed and work has already begun on the development of SMART Performance Indicators.</p> <p>These will be included in the 2025 update of the Workforce Plan.</p> <p>Responsible Officer:</p> <p>Executive Manager HR</p> <p>Agreed date:</p> <p>December 2025</p>

Workforce innovation - how councils are responding to workforce challenges

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk