INFORMATION

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PERSONNEL COMMITTEE

Agenda Item No.

meeting date: WEDNESDAY, 13 JUNE 2018

title: STAFF TURNOVER

submitted by: DIRECTOR OF RESOURCES principal author: LIZ RAWSON – HR OFFICER

1 PURPOSE

- 1.1 To report information on staff turnover at Ribble Valley Borough Council for the period 1 April 2017 to 31 March 2018.
- 1.2 Relevance to the Council's ambitions and priorities:
 - Community Objectives An increase in turnover across the authority provides an indication of potential issues that can be addressed in order that the situation does not have any detrimental effect on service delivery.
 - Corporate Priorities Staff turnover has an impact on the efficiency of service delivery due to the direct cost of recruitment and administration and also the indirect cost of time taken to train new staff in the systems and procedures of the authority. A high level of staff turnover can have a detrimental effect on service delivery where years of experience, skills and knowledge may be lost and it takes time to train up any replacement members of staff. Monitoring staff turnover supports objectives and actions within the Corporate Performance and Improvement Plan. Ongoing monitoring will allow us to identify and minimise risk as well as benchmarking against national statistics.
 - Other Considerations None.
- 2 BACKGROUND
- 2.1 The information in this report provides an update on the Council's staff turnover.
- 3 ISSUES
- 3.1 Turnover rate is calculated using the following formula:

Number of leavers in the specified period ie 1 April 2017 to 31 March 2018 x 100

Total number of staff on the payroll as at the final day of the period ie 31 March 2018

3.2 Based on the above formula, it is possible to provide the following information:

<u>Year</u>	Turnover rate at Ribble Valley Borough Council
2013/2014	13.25%
2014/2015	12.08%
2015/2016	12.13%
2016/2017	10.5%
2017/2018	14.89%

3.3 This year staff turnover has increased significantly. In terms of numbers there were 35 leavers in 2017/2018 compared with 25 leavers in 2016/2017 and 29 leavers in 2015/2016. The total number of staff on the payroll as at 31 March 2017 was 237, compared to 235 on the payroll at 31 March 2018.

<u>Year</u>	Number of leavers	Total number of staff
2013/2014	31	234
2014/2015	29	240
2015/2016	29	239
2016/2017	25	237
2017/2018	35	235

- 3.4 Of the 35 leavers, 1 took optional retirement, 4 were dismissed, 1 retired on ill health grounds and 29 resigned voluntarily.
- 3.5 The split of leavers by directorate is below:

	<u>No</u>	% of Leavers by Directorate	Total Number of Staff in Department at 31 March 2018
Chief Executive	9	26%	51
Community Services	19	54%	120
Resources	7	<u>20%</u>	<u>64</u>
	35	100%	235

3.6 The split of leavers by service area is below:

	<u>No</u>	% of Leavers by Service Area	Service Area at 31 March 2018
Regeneration & Housing	5	14%	13
Legal Services	0	0%	15
Environmental Health	4	12%	20
Planning	2	6%	14
Cultural & Leisure Services	6	17%	45
Engineers & Depot	11	31%	59
Revenues & Benefits	5	14%	29
HR	0	0%	11
Financial Services	2	6%	22
Directors and PAs	<u>0</u> 35	1 <mark>00</mark> %	$\frac{7}{235}$

3.7 By way of comparison, staff turnover figures for neighbouring authorities are included below:

2016/2017	2017/2018
Not available	12.44%
6.9%	10.6%
8.48%	8.64%
10.5%	10.5%
10.5%	14.89%
10.8%	12.13%
10.9%	10.4%
15.17%	13.8%
22.54%	17.84%
Not available	16.55%
Not available	10.8%
Not available	16.7%
	Not available 6.9% 8.48% 10.5% 10.5% 10.8% 10.9% 15.17% 22.54% Not available Not available

- 3.8 All leavers at the authority are offered the opportunity of an exit interview. It is apparent from these interviews that the main reasons for staff leaving continue to be:
 - 1. improved rates of pay; and
 - 2. career progression.
- 3.9 With regard to salary levels and rates of pay, job evaluation provides a scientific approach to salary levels. We are aware of salary levels within other neighbouring authorities and generally salaries have a greater impact on our ability to recruit staff rather than to retain them. All posts are on a grade which allows progression through an incremental scale usually made up of 4 spinal column points or increments. Staff also has a formal opportunity to have their job description reviewed each year as part of the appraisal process.
- 3.10 With regard to opportunities for career progression, the authority has a relatively flat structure and has limited scope to offer opportunities for career development. Training and development of staff is something which the authority encourages despite the fact that it can lead to staff seeking out opportunities at other organisations. As well as qualification training, we offer day courses and other training opportunities. The authority does however safeguard investment in qualification training by requiring employees to sign a training contract, which ties them into paying back 75% of the course fees if they leave within one year of completing the qualification, or 50% of the course fees if they leave within two years of completing the qualification.
- 3.11 It is important to point out that salary is only one element of the total remuneration package and as a local authority we continue to offer other benefits such as training, flexible working hours, and the Local Government Pension Scheme. We are continuously reviewing and introducing policies, which enable employees to achieve a good work life balance.
- 3.12 For information attached at Appendix 1 is a report entitled 'Outside the Box The Council Workforce of Tomorrow' which has been prepared by the new Local Government Network in association with the Local Government Association. The report identified the key reasons why people want to work in local government with the top three reasons being public service ethos, work life balance and the pension scheme in that order. Salary was only identified as a reason for working in local government by 16% of those surveyed.
- 3.13 As part of the Equality Act 2010, we are now required to publish detailed data on our workforce profile. This includes much more detailed information about staff turnover and about those joining or leaving the authority than has previously been collected. The collation of this more detailed information should help us more easily identify trends and any potential issues.
- 3.14 It can also be said that it is healthy to have a certain amount of movement within an authority as it offers a chance for promotion/development and the opportunity to review posts. However, too high a staff turnover leads to poor morale; has an adverse effect on service levels and is destabilising. In recent years, the abolition of the default retirement age and the economic climate particularly the lack of job security are also believed to have had an impact on staff turnover rates.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
 - Resources Failure to monitor staff turnover may result in a situation whereby there are insufficient human resources of the required calibre/skill level to achieve an efficient delivery of Council services.

- Technical, Environmental and Legal No implications identified.
- Political No implications identified.
- Reputation Maintaining a stable and skilled workforce will protect service levels in terms of quality and efficiency, which will in turn result in a positive reputation for the authority as a whole.
- Equality and Diversity In order to ensure equality of opportunity and that we value diversity, turnover is carefully monitored through the exit interview process and this ties in with the recruitment and selection procedures which also help us ensure equality and diversity within the workplace.

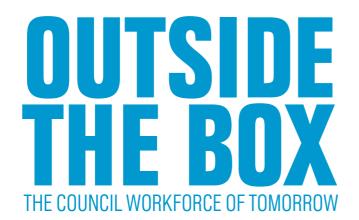
5 **CONCLUSION**

5.1 We continually monitor staff turnover to seek and identify any trends which may give cause for concern. This is done through performance indicators. This data is collected and reviewed quarterly and then reviewed again on an annual basis. Any areas of concern would be immediately highlighted to the Corporate Management Team (CMT) and Personnel Committee and remedial action taken to resolve any issues.

LIZ RAWSON HR OFFICER JANE PEARSON DIRECTOR OF RESOURCES

For further information please ask for Liz Rawson, extension 4409.

Appendix 1 – Outside the Box – The Council Workforce of Tomorrow Report by the Local Government Network in association with LGA (Local Government Association)

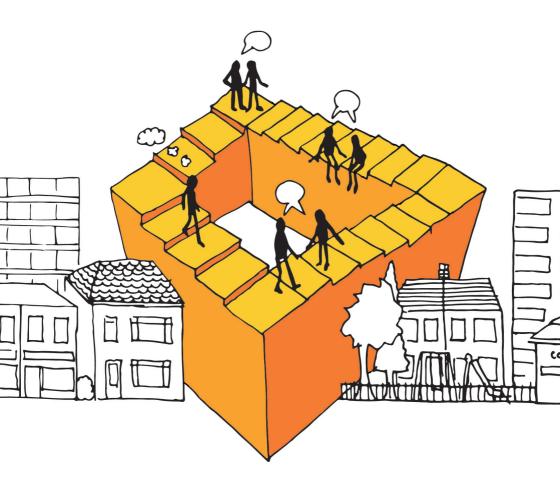




In association with:



Lucy Terry and Claire Mansfield



New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Lucy Terry and **Claire Mansfield**NLGN

FOREWORD

We are pleased to have been involved in the development of this important report that looks at the future employment 'deal' for staff in local government. Our people do a brilliant job and their day-to-day successes should be celebrated. Local government is a hotbed of change. Leaders at all levels need to consider what that means for colleagues if we are to travel the journey together.

This is a detailed report worthy of a thorough read. It is independently written and whilst it doesn't provide all the answers, it asks the right questions to provoke further thought and debate. The research highlights the strengths and weaknesses in the existing employment 'deal' and goes on to explore what needs to be done to recast it in the future. The emphasis is on what we need to do as leaders and managers. Above all, the call is to empower people to be more flexible, innovative and entrepreneurial. We often talk about cultural change but find it challenging to remove barriers to different ways of working.

The report also highlights the need to work across the sector to promote local government as a dynamic and inclusive employer so that we can attract the best candidates.

This report concludes that only by changing the hierarchical working culture of local government and becoming even more outward-facing, will councils provide a genuinely 'new deal' that attracts and engages colleagues while encouraging them to flourish.

We owe it to our colleagues and the communities we serve to give serious consideration to how we respond.

Mark Lloyd

Chief Executive, Local Government Association

INTRODUCTION

The council of today has little in common with the big institutions of the past. Prompted by the funding cuts of the last decade, councils have had to transform. They are now collaborators and place leaders, commissioning councils, commercial councils and cooperative councils. As with any organisation, it has been the people – the workforce – at the heart of these changes.

As local government faces an uncertain funding future, and predictable growth is unlikely, the workforce is increasingly being asked to deliver more with less. It is essential that local government has a workforce with the skills and competencies to implement these new ways of working; a workforce that is dynamic and fluid, able to cross boundaries, work collaboratively¹ and to stay 'human.'² But these complex new requirements come at a time when the benefits of working in local government are unclear.

Previously, what councils lacked in bonuses and high pay, they more than made up for with job security, a clear career structure and good pensions. But the pension scheme has been reformed, jobs are no longer secure and structural change has eroded the 'promotion ladder'. The pension scheme, still strong compared to what many employers offer, is now calculated on a career average basis rather than on the basis of final salary.³ Jobs are no longer as secure as they once were: 700,000 local government jobs were lost between 2010 and 2016.⁴ This has led many in the sector to feel frustrated and demotivated, undervalued and under pressure. Local government employees are doing their best to maintain morale and productivity, but it is undoubtedly challenging.

¹ Dalton, R. (2014). 2020 Vision of Local Government. *Local Government Chronicle*. https://www.lgcplus.com/politics-and-policy/2020-vision-of-local-government/5075796.article [accessed October 2016]

² Needham, C. & Mangan, C. (2014). *The 21st Century Public Servant*. Birmingham: University of Birmingham. https://21stcenturypublicservant.files.wordpress.com/2014/09/21-century-report-281014.pdf [accessed October 2016]

³ LGA, Unison, GMB and Unite (2012). LGPS 2014 – At a Glance. http://www.lgps.org.uk/lge/aio/17364665 [accessed October 2016]

⁴ Office of National Statistics (ONS). Public sector employment, UK: June 2016. http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/june2016 [accessed October 2016]

So, now more than ever, local government needs a strategy to ensure employees are motivated, productive and flourishing. Local government needs to engage its current and future workforce to make sure they are ready to take on the challenges of tomorrow's council. A new set of benefits and advantages needs to be clearly outlined and realised for the workforce of today and the future. This report explores and outlines what a 'new deal' could look like.

Our findings are based on a literature review, two surveys (one of England's local government workforce and another of local government HR directors), two roundtables and interviews. We also draw on three in-depth local authority case studies and examples of where companies across the world have reformed their workforce practices.

Throughout the report we have drawn on the required skills and competencies of the 21st Century Public Servant that were identified by the University of Birmingham⁵ and our report is complemented by the detailed study by GatenbySanderson into new models of leadership for local government organisations.⁶

First we report on the positive motivations that local government can harness to develop new principles of employment. Most people are not drawn to the sector by high salaries – rather they tend to have a strong public service ethos, and a motivation to serve the community. This is good grounding to attract and retain the staff local government needs.

In Chapter 1, we argue that only a systematic cultural change with new models of leadership can achieve a genuinely 'new deal'. We draw on examples of self-managing, non-hierarchical organisations which have achieved this long-term change and show the benefits it has, and how this approach could work in a local government context. A flatter working structure, higher levels of self-management and new models of leadership will help to achieve this.

Chapters 2 and 3 explore the actions local government can take in the immediate future to support change. Chapter 2 looks at how councils could

⁵ Needham, C. & Mangan, C. (2014). *The 21st Century Public Servant*. Birmingham: University of Birmingham.

⁶ GatenbySanderson (forthcoming). Gaining Altitude: taking local government leadership to new heights.

recruit new members of staff, arguing that a much-more outward facing 'rebranded' council is needed to attract and select the right candidates with the diversity of skills that councils need. Chapter 3 demonstrates how councils can implement innovative approaches to staff development and talent retention to help shape its existing workforce and support people to cope with change.

We conclude that in the long-term councils must create a much less hierarchical working environment. Only an ambitious cultural change will create the flourishing workforce local government needs.

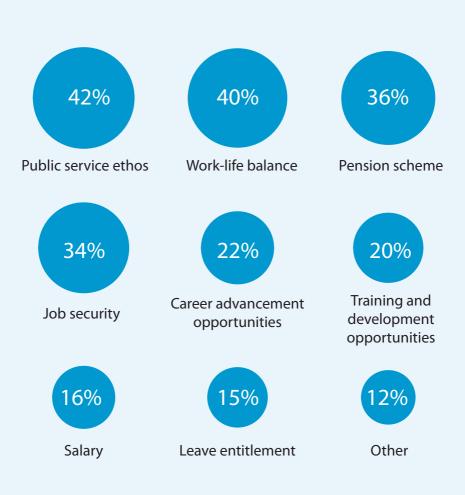
SUMMARY OF RECOMMENDATIONS

- Councils should co-produce and implement clear workforce strategies that prioritise increasing autonomy and reducing hierarchy. This should be an absolute priority amongst senior officers and members based on the recognition that nothing has a bigger influence on the quality of service delivery and overall impact than the culture and practices of the workforce.
- Chief executives, council leaders and other workforce leaders in local government should take part in a nationwide forum such as the LGA 'Workforce Partnership Forum' to support the development of council workforce strategies through sharing best-practice, peer challenge and shared sourcing of external advice and assessment.
- Councils should become more outward-facing and engage with the public to counter negative perceptions of working for a council. This must be seen as fundamental to their drive to build a dynamic workforce from a range of professional backgrounds.
- Central government and local authorities should implement mechanisms that reward hard work, initiative and innovation.
- Senior leaders within and outside local government including elected members – have a responsibility to model and drive forward a culture change.

MOTIVATIONS TO WORK IN LOCAL GOVERNMENT

FIGURE 1 WHY WORK IN LOCAL GOVERNMENT?

(TOP THREE REASONS: N=2,526)



Before looking at how councils can develop, retain and recruit the workforce of tomorrow, it is important to look at the current motivation to work for local government. Our survey asked respondents to select their top three motivations for joining local government. The top two choices – public service ethos and work-life balance – help to shape the 'new deal' for the workforce that we discuss in the following chapters.

1 PUBLIC SERVICE ETHOS

Public service ethos was the most common motivation to work in local government. A public service ethos can be characterised by accountability, community responsibility, customer service and integrity. In open-ended responses to our survey, people noted that one of the greatest advantages of working in local government is being able to make a difference to people's lives; to their community; and to those most in need of help. Wider research also confirms job satisfaction is strongly related to a belief that one's own job is useful and helpful to society. Public service ethos was a common motivation across different regions and council types, and for officers who have worked in local government for decades as well as those who have worked for a short amount of time. However, frontline staff did not include public service ethos in their top three motivations, even though they are the face of the council to most residents.

2 WORK-LIFE BALANCE

Work-life balance was the second most attractive feature of working in local government. Local government employees valued the flexible working provision, such as job shares and flexible shift patterns. Newer recruits were more likely to say that the work-life balance attracted them to the sector. This is in keeping with a study of millennials' attitudes to work which found that they value development and work-life balance more than financial reward. It is worth noting, however, that only 19.4 per cent of senior officers were motivated by work-life balance.

⁷ Booth-Smith, L. & Leigh, D. (2016). A New Public Service Ethos: Next Generation Public Service Reform. London. *Localis*. http://www.localis.org.uk/research/a-new-public-service-ethos/ [accessed November 2016]

⁸ John, P. & Johnson, M. (2008). Is There Still a Public Service Ethos? In Park, A., Curtice, J., Thomson, K., Phillips, M., Johnson, M. & Clery, E. (eds.) *British Social Attitudes: the 24th Report*, London: Sage.

⁹ PwC (2011). Millennials at Work: Reshaping the Workplace. London: PwC. https://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/assets/reshaping-the-workplace.pdf, p.14 [accessed October 2016]

3 PENSION SCHEME

The pension scheme was the third most popular motivation despite the changes to the Local Government Pension Scheme (LGPS) that took effect in April 2014. The pension, still strong compared to many other sectors is now calculated on a career average basis rather than final pay on retirement. However, newer recruits were less likely to say they were attracted by the pension scheme compared to those who have been working in the sector for long time, suggesting this feature may be less relevant for recruiting the workforce of the future.

4 JOB SECURITY

A third (33.6 per cent) of the workforce said that job security had attracted them to work in local government. However, only 9.4 per cent of senior officers felt it was an attraction. Local government has borne the brunt of public sector job cuts since 2010: 700,000 local government jobs were lost between 2010 and 2016. Reflecting this, we found that newer officers were much less motivated by job security (19 per cent). Those we interviewed felt that the traditional approach of a 'job for life' is now less appealing to younger generations, who are more likely to move jobs frequently.

5 CAREER ADVANCEMENT OPPORTUNITIES

Just 21.6 per cent of the current local government workforce were attracted to the sector by career advancement opportunities, suggesting it is not currently a major draw of local government. But career advancement opportunities are a motivation for the millennial workforce globally, which suggests a 'new deal' should address this issue. Millennials tend to be most motivated by career progression (52 per cent), more so than salary (44 per cent). Senior officers in local government we interviewed felt that the 'millennial' generation of employees want to be given responsibility quickly, and want to have their ideas heard regardless of their 'rank' or length of experience.

¹⁰ LGA, Unison, GMB and Unite (2012). LGPS 2014 – At a Glance. http://www.lgps.org.uk/lge/aio/17364665 [accessed October 2016]

¹¹ Office of National Statistics (ONS). Public Sector Employment, UK: June 2016. http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/june2016 [accessed October 2016]

¹² PwC (2011). Millennials at Work: Reshaping the Workplace.

6 TRAINING AND DEVELOPMENT OPPORTUNITIES

Providing these opportunities in a context of cuts is challenging. According to the Local Government Association (LGA) annual workforce survey, the median gross training expenditure among local authorities fell from £194 per employee in 2010/2011 to £134 in 2014/15.13 Local council HR managers we interviewed discussed that their training budgets had been cut and they needed to look for alternative and less costly approaches to training.

7 SALARY

Successive below-inflation pay rises have tipped local government salaries into a period of steep decline. Last year was the sixth consecutive year of decline in the value of wages¹⁴ and, in total, local government pay has been reduced by 20 per cent in real terms since 2009.¹⁵ Councils are unlikely to be in a position to increase pay significantly in the near future.¹⁶

8 LEAVE ENTITLEMENT

Leave entitlement in the public sector is sometimes perceived as generous, but this is not always borne out by reality. Analysis from 2013 puts the median basic leave for local government at 23 days per year, far below other parts of the public sector and some private sector industries. Leave was not a major motivation for our survey respondents (14.7 per cent selected).

- 13 Local Government Association (LGA) (2016). *Local Government Workforce Survey 2014/15: Research Repor*t. London: LGA. http://www.local.gov.uk/documents/10180/11627/Workforce+Survey+2014-15+report+Final.pdf/185ef91c-b4be-46a3-b854-b43c25c8df2a. [accessed October 2016]
- 14 Eichler, W. (2016, May 3). Local Government Workers 'Entering Realm of Poverty Wages', Union Claims." *LocalGov.* http://localgov.co.uk/Local-government-workers-entering-realm-of-poverty-wages-union-claims/40784 [accessed October 2016]
- 15 Unison (2015). Trade Union Side of the National Joint Council for Local Government Services: England, Wales and Northern Ireland: NJC Pay Claim 2016 2017. UNISON, GMB and UNITE for the LGA. p.3 https://www.unison.org.uk/content/uploads/2015/08/NJC-Pay-Claim-2016-17_FINAL.pdf [accessed October 2016]
- 16 Dudman, J. (2015, July 8). Public Service Staff Face Four More Years of Pay Pain. *The Guardian*. https://www.theguardian.com/public-leaders-network/2015/jul/08/pay-cap-public-servants-budget-2015. [accessed October 2016]
- 17 Unison (2013). Working Time Hours and Holidays. https://www.unison.org.uk/content/uploads/2013/06/Briefings-and-CircularsWorking-Time-Hours-and-Holidays-Factsheet2.pdf [accessed October 2016]

1 CHANGING THE COUNCIL'S WORKING CULTURE

"I am not allowed to be as innovative as I might be" Local government officer

"There is no real opportunity for innovation to make changes or to experiment"

Local government officer

People are drawn to local government because they want to contribute to their community, and to help serve the public. But while a public service ethos attracts people, they are often frustrated by the hierarchical and bureaucratic nature of local government. Throughout the research we found that once people started to work for councils they found the hierarchical culture and poor management stifled their ability to innovate.

Hierarchy and layered processes are understandable in such large organisations, and it was noted from our survey that district councils are generally considered less hierarchical. But if local government is to retain and recruit the top talent, the hierarchical working culture will need to change. Eventually, it is likely to stifle morale and motivation.

Open-ended survey responses showed the workforce feel particularly frustrated because decisions have to be approved through multiple layers of management; people don't feel trusted; and people feel managed not led. These frustrations are detrimental to individuals but also to councils as a whole: considering all the challenges that local authorities are going through, it's essential that they grasp and use all of the insight, skill and enthusiasm that is available to them, no matter what level in the organisation it comes from.

Councils will need to create a culture that is more trusting, more supportive and more empowering. If people are treated with trust and given responsibility, they will rise to the challenge and perform beyond

expectations.¹⁸ Innovative organisations worldwide are trying this and there is much that local government can learn from them. For example, the organisations FAVI and Buurtzorg have both made efforts to create more trusting, self-managing cultures and have seen their productivity improve (Appendix A). Less hierarchical, self-managing organisations report high levels of satisfaction, low turnover, and low sickness rates. At Buurtzorg, turnover is 33 per cent lower than traditional nursing organisations.¹⁹

There are practical ways in which local government can realise the benefits of a less hierarchical culture, which are discussed in more detail below.

A FLATTER, SELF-MANAGING WORKING CULTURE

"There's too much red tape and time to get the simplest things done."
Local government officer

"We are constrained by ever increasing organisational and dictatorial hierarchical structures."

Local government officer

Layers of management levels create a need for multiple, back-to-back meetings with little time for doing the work. They can hinder progress as decisions must be approved by lots of people. This in turn can disempower the workforce. An inability to make decisions and take initiative can be demoralising and fails to recognise that people have a unique insight into their work. A cultural shift towards self-management and allowing more junior members of staff to take initiative and make decisions can help people to flourish and feel engaged in their work. If councils can make this shift the workforce will feel more empowered and motivated.

St Albans City and District Council (Appendix B) has consciously tried to develop all its workforce and one new recruit noted that this was now a major motivation for working for the council:

¹⁸ Laloux, F. (2014). Reinventing Organisations. Brussels: Nelson Parker. p.83

¹⁹ Laloux, F. (2014). Reinventing Organisations. Brussels: Nelson Parker. p.66

"There aren't many first time jobs which allow you to take your own initiative and feel supported when you need it. You can go on to take initiative when you need to."

Local government officer

Changes to the organisational structure can prompt less hierarchical and more collaborative ways of working. While local government has traditionally been very hierarchical, some authorities have already begun reforming their structure. For instance the London Borough of Barking and Dagenham has restructured to a new strategic leadership team made up of four directors reporting to the chief executive, who are accountable for the delivery of key goals and for commissioning the service delivery blocks. Operational senior managers have greater autonomy for day-to-day delivery. Senior managers report to several strategic directors or commissioners under a matrix management system. In St Albans City and District Council, simple measures such as removing offices and having an open plan office has meant people immediately feel that they are all part of the same team (Appendix B).

International examples also show why and how self-managing structures are effective. In the Dutch nursing organisation Buurtzorg, small teams of nurses work with patients in the community (Appendix A). Teams of ten to twelve make collective decisions around resources, caseloads, intake, scheduling, recruitment, and training. In addition to the teams, there are a small number of coaches who offer advice to teams, which they may choose to accept or reject. Nurses work together to coordinate patient care effectively, and can choose to access extra training if needed. As the members of staff with the most insight on the ground, they have a unique insight into what they need to do their jobs well.²⁰

The French organisation FAVI showed a great deal of trust in its workers, when it stopped monitoring employees' hours, allowing workers to choose when they finished their shift.²¹ Productivity increased as a result, as workers could adapt their work to their own natural pace. FAVI employees also have freedom to purchase the equipment they need, without sign-off. If

²⁰ Laloux, F. (2014). Reinventing Organisations. Brussels: Nelson Parker.

²¹ Ibid

there is value in bulk purchases to save money, factory workers are trusted to identify this need themselves and volunteer to coordinate efforts.

In order to move towards self-management councils need to recognise that all levels of the workforce can have positive ideas and contributions to make. This could mean:

- devolving decision-making powers to junior levels, while requiring that all decisions must be made after seeking feedback to maintain the quality of decision making.
- a 'coaching' approach to management that can help people make the right decisions; so performance management is based on quality of work and outcomes, not focusing on specific ways of doing things because that's how it's always been done.
- membership of task-and finish groups should be based on skills and motivation, not job title.

LEADERS NOT MANAGERS

"[A disadvantage is] ignorance of management - lack of consultation and listening to staff"

Local government officer

The traditional local government view of leadership saw managers becoming managers due to their length of service and the level of expertise they have. However, while many are perhaps experts in their field, some did not have the skills required to lead a team. All our research participants stressed that there is a distinct difference between knowledge of a certain sector and the leadership skills needed to motivate and guide a team. Some even suggested that limited knowledge of a sector would be fine if the leadership skills were in place. Good leadership is increasingly recognised to be about having the right interpersonal qualities and skills:

"Leaders are now managing areas where they aren't the experts. They're good managers, they can manage a situation, they can ask the right questions."

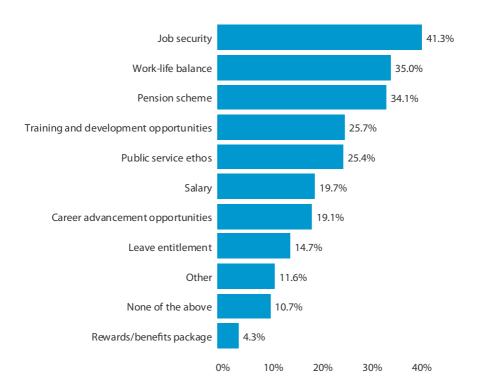
Senior local government officer

Creating open and listening leaders, who are prepared to give up some control, will be vital to breaking down the hierarchical culture. In the longer term, new ways to reward and retain good leadership skills could span the entire public sector. Roundtable attendees suggested that there could be a career pathway that spans public services, keeping talent in local public services but enabling staff to move across different areas and organisations, while keeping their accrued contractual benefits. A place-based approach to a public service career would also have the benefit of breaking down organisational silos and dysfunctional partnerships. As local authorities are called upon to be more collaborative, this will ensure the workforce have transferable skills and a broad knowledge of issues.

However, it is not enough to simply change leadership at the top. For a effective cultural change, management styles will need to be addressed throughout the organisation, especially 'middle management'. The importance of these managers has been neglected, even though they manage many more employees, including the potential leaders of the future. As a result, 'middle managers' are frequently seen as an obstacle to achieving a flexible, dynamic, outcomes-focused workforce. As one senior officer pointed out "it's not that they're duff, it's that we haven't paid attention to them".

Good management at all levels will also help to engage frontline staff in the wider organisational purpose. Most of our survey respondents were highly motivated by their public service ethos but this was only the fifth choice of frontline staff. Instead, their top motivations were job security, followed by work life balance and the pension scheme (Figure 2). It's crucial to note that those who are the face of the council – housing officers, refuse collectors, lifeguards – are the least likely to buy into this wider organisational purpose.

FIGURE 2 MOST ATTRACTIVE FEATURES OF LOCAL GOVERNMENT FOR FRONTLINE WORKERS (N=346)



Managers at all levels need to be able to lead in engaging all employees in understanding the broader purpose of their work. A recent report by GatenbySanderson²² calls this leadership archetype the 'social and commercial strategist' – someone who has the ability to navigate ambiguity and complexity to create a meaningful vision and strategy and to articulate this clearly to others in a way that creates followership. The best leaders keep frontline staff engaged by balancing commercial awareness and financial acumen with a drive to keep residents at the heart of what they do.

COUNCILLORS' ROLE IN SUPPORTING CHANGE

All of these changes cannot happen in a vacuum. The local government workforce exists to support local democracy, so, it's essential that councillors are supportive, and are supported, through these changes. Some of the institutional hierarchy in local government has emerged in part from the need for clear lines of accountability in a democratically elected council. But in some councils which have moved towards a less hierarchical approach, this did not seem an insurmountable barrier. Key in the London Borough of Barking and Dagenham and St Albans City and District Council was getting support from councillors at an early stage.

In Barking and Dagenham cabinet members were closely involved as the transformation plans were developed and their portfolios were re-shaped to mirror the organisational reforms. In St Albans, councillors are encouraged to move throughout the organisation and speak to any staff, with no hierarchies in communication (Appendix B).

Technological advances have also helped members and officers to communicate more easily, reducing fears that flexible working practices will make it harder for councillors to work alongside officers. In Wiltshire Council, members have access to the same online directory and remote working facilities which means politicians can still get hold of officers when they need to, whether or not they are behind a desk 9-5.

Some councillors already understand the benefits of workforce reform and the reasons for change.

"A lot of politicians get it more than a lot of the officers do usually because they are frustrated at the progress of a particular issue, so they recognise the need for something different".

Chief executive officer

"If members aren't risk takers themselves they're unlikely to get officers who are risk takers and innovators".

Councillor

Moving forward, as local authorities systematically change their long-term strategies and delivery models, they need a courageous, risk-taking and creative workforce who can find solutions to save money and preserve public services. Some of this is about development, retention and recruitment strategies, but more than that it is about creating a working culture that is fit for the 21st Century Public Servant.²³ Developing more trust in employees will have the long-term effect of a highly skilled workforce which is able to innovate and find ways to deliver effective public services that represent value for money.

This is an era where councils cannot substantially increase fiscal reward or promise new perks and fringe benefits;²⁴ the deal for the workforce is the job itself – a rewarding, satisfying and fulfilling opportunity. This requires commitment from politicians and officers at every level to embrace change and try something different.

²³ Needham, C. & Mangan, C. (2014). *The 21st Century Public Servant*. Birmingham: University of Birmingham.

²⁴ Public Service Staff Face Four More Years of Pay Pain. The Guardian, 8 July 2015.

2 REBRANDING THE COUNCIL

"We battle with the perception that people who work here are only waiting for their pensions."

Local government HR officer

As local government develops a new offer for its workforce it will be essential to attract the best and brightest talent. But for a myriad of reasons, local government is often negatively stereotyped by the media and the public. Not only does this have a negative, demoralising impact on the current workforce, it can impede the ability of councils to recruit the best and brightest. It is essential that councils re-evaluate how they interact with, and 'market' themselves to the public and potential employees.

APPEALING TO THE RIGHT CANDIDATES

The greatest barrier to recruiting talent is the negative perception of local government (65.9 per cent, HR director respondents). Local government is not seen as a place for entrepreneurial, dynamic or ambitious employees and staff are all too often stereotyped as 'jobsworths'. This perception is unfair, especially now as councils must be innovative in the face of constant demands. These stereotypes contribute significantly to low morale in the workforce:

"I don't really like the way public sector workers are portrayed by the media as working Mon-Fri, 9-5, with an easy job, big pay-packets and excellent pensions".

Local government officer

Not only is this bad for the morale of the sector, it also makes recruitment difficult, especially in certain regions, and fields such as planning, social work, and corporate services. Councils should address and engage with these negative perceptions head-on if they want to recruit from a wide range of candidates to meet the demands of today.

If councils can more effectively promote the work they do, and the strong public service ethos present amongst the workforce, this could counter unhelpful stereotypes that put people off a local government career. A more outward-facing council with a focused recruitment strategy will be crucial to attract a diverse range of skills and experiences, including people who wouldn't previously have chosen local government.

Some councils are attempting to counter the negative stereotypes through proactively rebranding their council. They are using the current challenge of working for local government as a fundamental part of their recruitment strategy; the opportunity to innovate is now. While working in local government is highly demanding, in many ways there's never been a more exciting time to work in local government for people who want to create, innovate and impact their community:

"To work in a council today, you're learning all the time. There's never a dull day. It's really exciting."

Local government senior officer

Councils need to recruit people who are excited about their jobs and who are able to be flexible and innovate in order to protect public services in the face of public spending cuts. To recruit these people, councils need to open up and promote the values and benefits of working in local government.

OPENING UP THE COUNCIL: THE HUMAN FACE

Key to counteracting negative stereotypes is opening up the council and making it more outward-facing. Usually, much of the public has very little reason to be in direct contact with their local council and when they do pay attention, it is often because something has gone wrong, or a service has been cut.

But councils are redefining their relationship with the community. Where once councils used to form a defensive crouch to the public, they increasingly need to build partnerships and collaborate with the community. This can be done through virtual and 'real' infrastructure.

Opening up the council building can make sure councils are more visible to the public. Some councils such as Wakefield and Wiltshire are now openplan and host services such as libraries or cafes. Getting people through the door other than to pay a bill could change perceptions of the council; especially if they can see employees hard at work when they are there.

Online tools such as staff blogs and social media are also used to promote the 'human face' of the council and can help to proactively counter some of the stereotypes of anonymous 'pencil pushers'. While some councils are concerned about the risks associated with employees' web and social media use, others recognise its potential as a (low cost) marketing tool.

Allowing employees to tweet about their job (under their real names), for example, can promote the range of work the council does. Wiltshire Council has 'brand champions' among its managers who use their LinkedIn accounts to discuss the work they do and the value it adds to the local community (Appendix B).

Perhaps Wiltshire Council's boldest marketing move was the decision to partner with Glassdoor,²⁵ the website for employees to post reviews of their company. As the first local authority to do so, the council was taking a considerable risk in platforming the feedback of its workforce, yet this risk paid off and is a very effective part of the council's brand. Its Glassdoor page includes a range of positive feedback, with an average rating of 4.6 stars out of 5. The council takes the time to provide a substantial response to all feedback.

HIGHLIGHTING THE BENEFITS OF LOCAL GOVERNMENT

Councils will also need to highlight the many advantages that sets local government apart from the private sector. Our survey respondents identified public service ethos and work-life balance as the two main features that most attracted them to work in local government. When trying to attract new talent, it is essential that councils highlight these benefits throughout the recruitment process. These benefits are what millennials worldwide are looking for.²⁶

²⁵ Glassdoor UK. Wiltshire Council Page. https://www.glassdoor.co.uk/Reviews/Wiltshire-Council-Reviews-E582103.htm [accessed October 2016]

²⁶ PWC (2011). Millennials at Work: Reshaping the Workplace.

PUBLIC SERVICE ETHOS

People are drawn to local government because they want to contribute to their community. Recent graduates we interviewed showed that making a difference is still very important to young employees:

"I want to be able to see something and say 'I did that, I helped achieve that' to my mum and dad."

Local government officer

Councils can highlight the unique benefits of their work by promoting their values throughout the recruitment process. Wiltshire Council puts these values at the front and centre of their online jobs page, as Figure 3 below shows. Job applicants going through the careers website can also complete a values-based questionnaire that tests whether they would be a good match with Wiltshire Council.²⁷

FIGURE 3 WILTSHIRE COUNCIL'S VISION AND VALUES

OUR VISION AND VALUES

Our vision is to create stronger and more resilient communities.

Our core values support the delivery of the vision and underpin what we stand for and how we do things.

- Place our customers first
- Strengthen our communities
- Adopt a 'can-do' attitude in everything we do
- Value our colleagues

Values are most effectively defined in collaboration with both officers and members. As one interviewee noted, they should not be imposed by senior

²⁷ Wiltshire Council. 'Jobs at Wiltshire' careers website. https://jobs.wiltshire.gov.uk/ [accessed October 2016]

managers alone as they run the risk of inauthenticity. Officers are highly motivated to serve the public and improve their area, as shown by the emphasis survey respondents put on public service ethos and, in the openended responses, serving one's community. However, frontline staff put a relatively low emphasis on public service ethos (25.4 per cent selected as opposed to 42.1 per cent overall) and it is crucial that councils engage with *all* staff in the process of defining values, to ensure these are reflected across the workforce.

WORK-LIFE BALANCE

A good work-life balance is seen as a major advantage of working for local government. For newer members of the workforce it was the most common motivation (49.9 per cent) although it is important across the board. Globally, millennials want a job which offers them work-life balance.²⁸ Companies like Facebook²⁹ and Patagonia³⁰ recognise that supporting employees' lives outside work will make them happier and more productive inside work. New recruits we interviewed told us they appreciated that the council saw them as a "person not just a worker".

Increasingly, councils offer employees flexible working hours. Modern technologies make offering mobile working easier. In Wiltshire Council officers are given the technology to work from home 1-2 days a week (Appendix B). This is normalised and employees do not have to request it – employees are responsible for arranging their meetings over the days they are in the office and can complete desk-based work at home, which many feel makes them more productive. This feature of the local government offer also means councils can recruit and retain staff that may have family commitments or other personal responsibilities as they are able to work their hours around their caring responsibilities. The non-hierarchical, self-managing culture described in chapter 1 would help to promote the work-life balance and advantages of working for local government.

²⁸ PWC (2011). Millennials at Work: Reshaping the Workplace.

²⁹ Tepper, T. (2015) Facebook Workers Just Got a Better Parental Leave Policy. Here's When You'll Get Yours. *Time Magazine*. http://time.com/money/4129990/facebook-paid-parental-leave/[accessed October 2016]

³⁰ Olsen, E. (2016) This is What Work-Life Balance Looks Like at a Company with 100 per cent Retention of Moms. *Quartz*. http://qz.com/806516/the-secret-to-patagonias-success-keeping-moms-and-onsite-child-care-and-paid-parental-leave/ [accessed October 2016]

FINDING AND SELECTING THE RIGHT CANDIDATES

Local authorities are increasingly open to attracting candidates from different sectors to address their skills needs. It is important that marketing strategies are integrated into the recruitment process to attract a broader pool of applicants. How the message is constructed, where the message appears, what skills are specified and the process of selecting candidates, are all questions councils must address to develop a truly modern recruitment strategy.

When advertising vacancies, wording is important. Senior officers we interviewed were aware that overly technical language or jargon could put off the type of candidate a council might wish to attract, for example a young entrepreneur or a community engagement worker. Microsites such as the 'Come Back to Social Work' campaign³¹ led by the LGA promote a bespoke offer for specific professions or skillsets; and can be integrated into social media. Some councils have also moved away from rigid and institutional application forms towards asking candidates to apply by CV-which may be more effective to understand an individual's strengths and passion for the job.

Use of social media by all employees of the council, not just through corporate accounts, is a good way to appeal to and reach out to potential candidates. Wiltshire Council encourages their outreach workers to tweet about jobs for example. Some councils are using 'hack days' as a way to recruit young IT talent.³²

The selection stage of the recruitment process also needs to reflect the new ways of working and core values of councils. In designing person specifications and selecting candidates, less emphasis on technical knowledge and length of experience, and more on transferable skills, values, and diversity of experience can be helpful. This will be particularly important when recruiting for leaders, as opposed to managers. Professional expertise will always be needed in councils but 'soft' skills around collaboration,

³¹ The Come Back to Social Work microsite is available at: http://www.comebacktosocialwork.co.uk/ [accessed October 2016]

³² London Borough of Redbridge, Redbridge Hack Day. http://www2.redbridge.gov.uk/cms/news_and_events/redbridge_hack_day.aspx [accessed October 2016]

engagement, and innovation are important to get the most out of the council's workforce and its residents. Senior officers we interviewed said they were introducing roleplays, staged 'meetings' and more tasks into the interview process to test these skills.

Globally, the most forward-thinking workplaces recognise that recruitment processes should be more authentic. At companies such as Morning Star and Buurtzorg, recruitment processes are done by teams looking for the right fit rather than a tick box exercise against a list of competencies.³³ Every candidate at the US tomato processing company Morning Star is interviewed by ten to twelve of their potential colleagues, who assess their fit for the role and organisation. Panel members emphasise the company culture and values so the interviewee can decide if they want to work there or not.

Informal and peer-based discussions could also help to unearth someone's suitability for a role, and perhaps more so, their suitability to the wider organisation. One chief executive recruiting a new senior management team told us he put a lot of time into informal meetings with candidates for his new team, noting that "successful recruitment requires being clear about what the expectations are for people coming into the organisation".

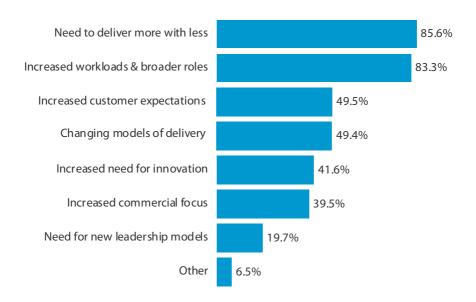
3 SHAPING THE CURRENT WORKFORCE

"The last ten years of public sector working has not been entirely positive and I would not advise anyone starting a career to work in the public sector."

Local government officer

Long-term cultural change for the local government workplace will be needed, but in the immediate future, councils cannot forget their existing workforce. The current workforce has already borne the brunt of considerable change, and is experiencing significant new requirements and demands. 93 per cent of our survey respondents told us they had experienced a demand for a greater range of skills since starting their job, and Figure 4 shows the reasons behind this increased demand.

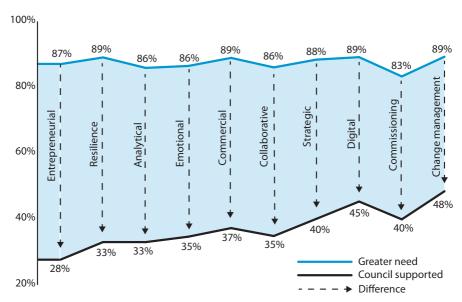
FIGURE 4 REASONS FOR DEMANDS ON SKILLSET (N=2,228)



These demands are beginning to take their toll and over 85 per cent of our survey respondents felt that cuts had affected staff morale. Previous research has highlighted high stress levels: the most common cause of sickness absence in 2014/5 was "stress, depression, anxiety, mental health and fatigue". This is in contrast to the UK workforce as a whole where minor illnesses such as colds are the most common reasons. The stress of the unit of the

Our research revealed that the local government workforce does not always feel supported to adjust to the pace of change and new skill requirements. For instance, 87 per cent of survey respondents identified an increased need for entrepreneurial skills but only 28 per cent felt supported by their council to develop this. Only 33 per cent felt supported to develop resilience and cope with change (Figure 5). An effective approach to developing the existing workforce is needed, as well as retention strategies that will help councils retain their most promising staff.

FIGURE 5 DIFFERENCE BETWEEN NEED AND SUPPORT FOR NEW SKILLS (N=2,186)



³⁴ Local Government Association (2016). Local Government Workforce Survey 2014/15: Research Report. London: LGA, p.4.

³⁵ Office for National Statistics (2014). *Sickness Absence in the Labour Market: February 2014*. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/sicknessabsenceinthelabourmarket [accessed October 2016]

TWO WORKING CULTURES

Conflicting cultures make staff development more complicated. Many local government employees across the board are, despite the demanding nature of the job, motivated to help drive forward change. Some feel that change has not happened fast enough. Yet there are some who are unhappy with the rapid pace of change. Officers responding to our survey expressed these differing attitudes:

"Too much change in a short space of time."

Local government officer

"We are weighed down by old processes because 'that's what we have always done."

Local government officer

As one interviewee noted, those who are unhappy with the pace of change may legitimately feel that they have not been supported to cope with the changes and therefore have been left to "sink or swim". With the right support, they may be able to develop new skills and strengths which they have not previously had the opportunity to use.

"I think more so than specific skills it's a mind-set. Being flexible and agile – not tied to a specific service area."

Senior HR officer

As part of their approach to staff development, councils should address mindsets and approaches to work to develop a more outcomes focused, flexible and can-do attitude.

A NEW APPROACH TO SUPPORT AND DEVELOP STAFF

It is essential that development initiatives support the current workforce to ensure that they can adjust to change. While constrained budgets often do not allow for expensive external courses, councils can and should support staff to cope with change through performance management and training and development.

PERFORMANCE MANAGEMENT

The relationship between line managers and their team members will often be the most crucial way to provide the support council employees need to adjust to new ways of working.

Over 65 per cent of councils have reviewed their performance management systems in recent years. From our survey, we found that one council had redesigned their appraisal process through a bottom-up process, carrying out face-to-face consultations with staff. The process raised the question of whether it is worth doing an appraisal at all – but the council felt that it is important, as staff want recognition and feedback. The appraisal was redesigned with an increasing focus on skills development, developing capability, developing resilience and also management skills. Crucially, managers were not judged by the percentage of appraisals they had completed but the quality of the information.

At Wigan Metropolitan Borough Council (Appendix B), the annual appraisal was reformed to a new approach called 'My Time Extra', which is intended to facilitate a reflective process to explore what's gone well and goals for the following year.

"It's about looking at what has gone really well for the person this year, and why did that happen? In terms of the behaviours, what was it that really shone for you as an individual? What are the things that you want to work on a bit more in the coming 12 months? It has got the language that resonates with people and inspires them."

Local government senior HR officer

Performance management can develop people's ability to cope with change through regular, meaningful conversations. Many senior officers we interviewed told us the traditional ways of reviewing performance have come to appear unhelpful or tokenistic, feeling to some staff like a 'tick box' exercise. Meanwhile, what is effective is a shift towards "better conversations, more frequently" whereby managers have a holistic understanding of their teams' development needs, workload, and wellbeing. Wigan Council's new approach to one-to-ones, called 'My Time' sessions,

covers a broader range of issues than traditionally covered. Managers check if people are coping with their work, their wellbeing, and ask what they are struggling with (Appendix B). The first question of a 'My Time' session is 'how are you', and the information that managers draw from that question alone is valuable. It is crucial that managers understand that staff wellbeing will affect performance, either negatively or positively, and this should be addressed in meetings.

IN-HOUSE TRAINING

Wider training and development opportunities are also useful to support employees to develop new skills and ways of working. Yet these initiatives are increasingly constrained by reduced budgets, and so the training provided has not always kept pace with the new requirements of the modern council. Nevertheless, some councils have tried to provide this training through an in-house delivery model.

Wigan Council runs an interactive experience 'BeWigan' aimed at all staff and delivered by all levels of the workforce (Appendix B). They created an interactive two-hour walk through experience that brings their 'Deal for the Future' to life, explains why change must happen, and communicates the new culture and behaviours essential to achieve this new vision. The experience includes audios from colleagues across the organisation who share how they display the behaviours, exercises where staff get a series of scenarios and asked how they would behave, and a pledge room where they commit to incorporating the behaviours in their work. This is a creative way to convey the council's behaviours and values: be positive, be accountable and be courageous.

Local government employees recognise they have a need for a much more sophisticated skillset, but they are not always supported to develop to keep pace with the evolving requirements. To address this, a dual approach of good performance management and effective skills training and development can, when done well, ensure the existing workforce is able to help deliver the council's long-term strategies and adapt alongside evolving cultures of management.

RETAINING TALENT

While a 'job for life' is not a high priority for the new workforce generation³⁶ it is important that local government recognises the need to retain talent long enough so that the workforce has the chance to make a difference, and even become future leaders. Our survey respondents told us that greater career development opportunities would be their first choice for any 'new deal' for the workforce (46 per cent) and this echoes surveys of what 'millennial' employees want.³⁷

Local government does not have the clearly defined career progression structure that it once had. There are fewer layers of management, so moving up the ladder involves a greater skills jump and a lot more responsibility which is increasingly difficult. Providing development opportunities for the workforce and rewarding efforts can help to retain talent.

DEVELOPMENT OPPORTUNITIES

Development opportunities are important for all staff as they help people to feel fulfilled and satisfied. This is particularly pertinent for councils in London and the south-east where the market is more competitive and other sectors can draw away talent.

To counteract this, in St Albans, the council has placed an emphasis on developing future leaders, providing year-long secondments, and giving junior members of staff the responsibility to take initiative, liaise with elected members, and manage projects (Appendix B). St Albans – like many other councils – also operates a 'Future Leader' programme which is open to team leaders and above. As part of this, staff participate in short-term secondments to get involved in something they don't usually do and a three day residential to put theoretical experience into practice. They are also given training on media appearances, communication with councillors, and other key requirements for leaders.

³⁶ Our survey respondents who had only worked in local government for 0-4 years did not put job security in their top 4 motivations, unlike the workforce overall.

³⁷ PWC (2011). Millennials at Work: Reshaping the Workplace.

One interviewee pointed out that programmes for future leaders help to retain talent but also increase diversity at the top:

"It is important to identify the rising stars, the people in local government organisations who have the potential to be chief executives and to provide them with a development programme which helps them get there."

Local government senior officer

Developing staff ensures not only a more skilled workforce but also a happier workforce that is more likely to stay in local government.

REWARDING STAFF

Salary is not the main driver for working in local government (only 15 per cent selected it as a motivation) but nevertheless it is important that the workforce feel rewarded for their efforts, especially given that many are involved in local government because they want to make a difference. They will want to feel that that is appreciated.

The current system of service-related increments (used by 7 out of 10 councils)³⁸ does not incentivise a dynamic and varied career. Nor does it reward improvements in performance, skill development, or taking on additional responsibility.

Our survey respondents chose performance related pay (PRP) as their second choice for a 'new deal' (39.4 per cent selected). Further research suggests that this reflects a frustration among some of the workforce that hard work and effort are not acknowledged, while those who do not make the same effort face little consequence.

The introduction of PRP is a matter for individual councils to decide; many have considered it and found it unaffordable, but some feel it could be a mechanism to increase focus on performance. However, as many

stakeholders raised, PRP is fraught with pitfalls if done badly.³⁹ It raises questions of fairness, as managers may not judge who deserves PRP consistently or systematically. Choosing the metrics of 'good performance' for certain roles (such as librarians and social workers) would not be straightforward, and could also create perverse incentives whereby practitioners focus on what is being measured and even avoid complex or difficult cases.

Some councils, however, have been able to implement a form of PRP successfully. For example in St Albans City and District Council, the Building Control Principal Officer team receive a team-based performance payment if they exceed a specified income target. Introducing incentives on a team basis rather than an individual basis could encourage people to work together well, which is a skill councils want to incentivise.

There are other, less direct ways to reward employees that can constitute a benefit-in-kind. These include team bonuses, such as social outings; funding or part-funding a qualification; plus, transport allowances. One London council has a home parking arrangement where repairs and maintenance staff can take their work vans home and park them there, meaning workers have transport for their commute and the council doesn't need to pay for parking these vehicles. The LGA has produced a report and other documents on simple ways to improve incentives.⁴⁰

Some councils have managed to retain staff in social work because the quality of their development and supervision is better, even where the salary is not particularly competitive. One council had high turnover of social workers, who often left for the neighbouring, higher-paying authority. But it introduced a guaranteed caseload limit, improved progression opportunities, wraparound support, and supervision and development, and consequently social workers returned despite the lower salary.⁴¹

³⁹ Some relevant lessons can be found in the literature on payment by results and public sector targets under New Labour. E.g. Bevan, G. & Hood, C. (2006). What's Measured is What Matters: Targets and Gaming in the English Public Health Care System. *Public administration*, 84(3), pp. 517-538.

⁴⁰ Local Government Association (2016). Local Government Workforce Webpage. http://www.local.gov.uk/workforce-local-government [accessed October 2016]

⁴¹ For more on the specialist issue of social work recruitment and retention see http://www.local.gov.uk/social-workers [accessed October 2016]

In the immediate future, councils need to understand their existing workforce is one of their most important assets to address the current demands local government faces as well as moving towards future models of service delivery. This workforce needs effective support to help councils achieve these considerable demands: both structured training that addresses strategic priorities, and effective performance management on an ongoing basis. Talented staff who can find interesting work elsewhere need to be given fulfilling opportunities which stretch their abilities. In the long-term, councils should look towards breaking down hierarchical cultures and creating an environment where employees thrive. This will strengthen and develop both the existing and the new workforce.

CONCLUSION AND RECOMMENDATIONS

The workforce is the life blood of any organisation, and no more so than in a local authority. As councils transform, the way the workforce engages with communities, collaborates with stakeholders and shapes places will be critical to ensure councils can face the ongoing challenges of the future. Because of this, it is essential that the way local authorities recruit, retain and develop their workforce is transformed too.

Despite the often harsh stereotypes of council employees as 'jobsworths', our research has revealed that the majority of those working for local authorities do so as they are drawn by the public service ethos it offers them. Working for local government offers a unique opportunity to make a difference and support one's local community and this is particularly attractive to the next generation of workers, the millennials.

This is an opportunity. Local government is a vehicle of change that offers both the public service ethos and work-life balance that the next generation are looking for. It's important that councils market themselves in this way. When developing recruitment strategies, a much-more outward facing 'rebranded' council is needed to attract and select the right candidates, emphasising the unique values associated with local government.

But perhaps more critically, and as councils transform the way they work, it's essential that the culture within the council matches this also. A move towards a reduced hierarchy that enables and empowers, will be essential to create a supportive space to innovate, to improve services, to streamline processes and to take initiative. It has the potential to establish a workforce that is motivated, productive and happy in their roles.

Working for a council has become more daunting and increasingly comes with a range of demands and pressures. This report has shown that a genuine culture change will be required to attract and engage the workforce needed for the future council.

RECOMMENDATIONS

- 1. Councils should co-produce and implement clear workforce strategies that prioritise increasing autonomy and reducing hierarchy. This should be an absolute priority amongst senior officers and members based on the recognition that nothing has a bigger influence on the quality of service delivery and overall impact than the culture and practices of the workforce. These strategies should particularly mark out a path to:
 - Ensure all staff have the space and support to experiment with innovative ideas wherever possible.
 - Achieve the highest levels of commitment to public service ethos amongst all staff and particularly frontline workers where this ethos is low.
 - Empower staff by constantly engaging with and using their feedback to inform change.
- 2. Chief executives, council leaders and other workforce leaders in local government should take part in a nationwide forum such as the LGA 'Workforce Partnership Forum' to support the development of council workforce strategies through sharing best-practice, peer challenge and shared sourcing of external advice and assessment.
- 3. Councils should become more outward-facing and engage with the public to counter negative perceptions of working for a council. This must be seen as fundamental to their drive to build a dynamic workforce from a range of professional backgrounds.
 - Councils should promote an image of openness and transparency through their staff, online presence and where possible the design of their buildings.
 - Individual councils, professional bodies, trade unions and other stakeholder groups should join forces and resources to launch a concerted and ongoing PR campaign to coordinate efforts to counter the negative stereotypes of local councils.

- Councils should work to develop recruitment techniques that appeal to the talent of the future, emphasising the values base of a job in local government and the opportunity to make a difference.
- **4.** Central government and local authorities should implement mechanisms that reward hard work, initiative and innovation.
 - The proposed reform of the National Joint Council pay scale should provide the starting point for developing a salary and reward structure which allows innovation and impact to be recognised, involving workers across local government.
 - Councils should also look at other ways they can reward staff. This
 includes benefits in kind, development opportunities and flexible
 working policies.
- 5. The most senior leaders within and outside local government including elected members have a responsibility to model and drive forward a culture change.
 - It is important that councillors are actively driving culture change in councils. Officers in local government should engage councillors to ensure they support the benefits of a workplace culture change. More open communication between councillors and staff at all levels will be necessary.
 - Local governments should look towards partnering with other public services to create effective leaders of 'place', who can move between public services and help to develop effective partnerships across systems and services. This can retain talent within public services while promoting a focus on leadership qualities over technical expertise.

APPENDIX A: INTERNATIONAL PRACTICE EXAMPLE

BUURTZORG, THE NETHERLANDS

Buurtzorg is a nursing organisation in the Netherlands that, in 2006, decided to deliver community-based nursing care in a completely new way. Buurtzorg is made up of small, self-managing teams of 10-12 nurses working in small neighbourhoods. They make decisions about all aspects of their service to the local community, including areas that would usually be split across back-office departments. ⁴²

The founder of Buurtzorg, Jos de Blok, had previously worked in organisations which worked more traditionally. Departments did different bits of administrative work, and nurses had specialisms and treatments that they were allowed to do. As a result, patients got passed from pillar to post and people fell through gaps. Fragmentation and layers of back-office functions created complex processes which were frustrating for both patients and nurses. Nurses were dissatisfied with their inability to provide genuinely person-centred, good quality care and felt disempowered.

This called for an approach which gave power back to those on the ground. Nurses at Buurtzorg are given the freedom and the autonomy to build a meaningful relationship with each individual patient. Teams make decisions collectively; they do not have bosses. They are responsible for everything from patient allocation, schedule planning, and office space, to performance management, future priorities, and training and development. Teams decide among themselves who will take responsibility for which areas, based on each individual's skills and strengths. There are very few people working in back-office functions at Buurtzorg (47 in an organisation of over 6,500 nurses). Teams also have strategic responsibilities like building local partnerships and setting future direction.

⁴² Much of this profile draws on Laloux's Reinventing Organisations, especially pp.62-73.

⁴³ Royal College of Nurses (2016). *Policy Briefing: The Buurtzorg Nederland (home care provider) Model.* https://www.rcn.org.uk/about-us/policy-briefings/br-0215 [accessed October 2016]

Adjusting to this level of responsibility can be difficult at first - especially where there is no 'boss' who is responsible for making the final call on difficult decisions. To prepare people for this way of working, newly formed teams are trained in collaborative ways of working. On an ongoing basis regional coaches are available to give advice and support to teams, but their advice is not mandatory and they have no management role.

In the long-term, the model benefits both staff and patients. For staff, an increased level of trust inspires them to thrive, to become better and more well-rounded nurses. The model also draws on what really motivates many people working in public services- the opportunity to help people. Nurses are given the trust and the freedom to provide the service their patients need. Buurtzorg has been voted 'employer of the year' in the Netherlands⁴⁴ and has a turnover rate that is 33 per cent lower than traditional nursing organisations. Patients receive a more personalised, holistic service.

APPENDIX B: CASE STUDIES

WILTSHIRE COUNCIL

Wiltshire Council is a unitary local authority in the south-west of England. It was created in 2009 replacing Wiltshire County Council and four district councils. The council deleted the post of chief executive in 2011 along with a number of other senior posts to create a leadership model unique in local government which works alongside the leader and her cabinet to deliver the council's vision. The leadership team now consists of two corporate directors supported by 13 associate directors, and has seen a reduction in leadership costs of over 40 per cent.

Wiltshire's geographical location and train and road links to Bristol, Bath and even Somerset mean that it is possible for people to commute to Wiltshire for work. Wiltshire has adopted a progressive approach to its recruitment strategy that aims to attract applicants with the new skillset needed for the changing nature of local government work.

THE BRAND

Wiltshire Council developed an employer brand that communicates three main messages about the council: a place that is 'innovative, collaborative and empowering'. These messages aim to change traditional perceptions about work in local government. Despite limited resources, the council emphasises its creativity in finding innovative solutions to provide - with partners - improved services to residents, through an empowering approach to its workforce. As part of their rebranding, Wiltshire Council launched a new careers website in 2015 (jobs.wiltshire.gov.uk). The site includes short videos with staff talking about their experience working for the council, and a 'Meet Our People' section that features current staff answering questions about their work at the council and their personal interests.

The modern council building is designed in a way that projects this progressive image and sends a message of openness and transparency.

They have a large public space with a café, restaurant and library and open wifi for anyone to use.

SOCIAL MEDIA AND ONLINE PRESENCE

Wiltshire Council use social media heavily to market their brand and to actively promote the council as an employer of choice. They have created staff 'digital ambassadors' who are encouraged to use their social media accounts as a channel to talk about the work they do. Relevant content is promoted on Facebook, Twitter, Instagram and LinkedIn with live tweets integrated on the careers website homepage. Where relevant, specific pages for 'hard to recruit' service areas (e.g. ICT, social work, planning) are developed with bespoke content (e.g. staff films, blogs, images) on the careers website. Potential candidates are also identified and engaged with through integration with different social media platforms. This new 'social recruiting' approach is already demonstrating greater value for money, and in particular 'hard to recruit' roles are now more easily filled.

Wiltshire is also the first UK local authority to partner with Glassdoor (2015). This has enabled them to articulate their brand through their Glassdoor profile and engage with employees who provide feedback about what it's like to work for the council. As the first local authority to take this step, the council was taking a considerable risk in platforming the feedback of its workforce, yet this risk has paid off and is a very effective part of the council's brand, creating transparency and open dialogue which promotes effective staff engagement. Its Glassdoor page includes a range of positive feedback, with an average rating of 4.6 stars out of 5 (this is based on a number of different factors evaluated through employee reviews with flexible working scoring most highly). The council takes the time to provide a substantial and timely response to all feedback.

THE RECRUITMENT PROCESS

The council's HR & OD team changed the wording of some job titles to make them more understandable to prospective candidates. They also use 'Thomas International' profiling to refine key words in job adverts to reach out and attract different types of candidates based on the key attributes

and skills needed for the role in question. The focus now is very much on whether someone has the skillset to do the job (i.e. transferrable skills), rather than if they have done that specific job before. They have also streamlined the application process on their careers website and created a single-page application page which also gives candidates an option to 'apply by CV' for the majority of their vacancies (including social work and other safeguarding roles). The volume of CVs being received for job applications has increased dramatically.

The council's core values are integrated into all stages of recruitment, appraisal, and retention and get reviewed constantly. For example, the council jobs website has a questionnaire for job applicants to answer, which tests whether they are a good match working for Wiltshire Council.

COACHING

Wiltshire Council have been running an internal coaching programme since 2013 with more than twenty coaches drawn from employees including one of their two corporate directors. Coaching is an effective, supportive and highly motivating method of developing staff to achieve their potential including progressing career prospects, building confidence, leadership, and communication skills. Coaching therefore remains a key priority for the council in terms of developing its current and future workforce capacity. Work has started with other public sector partners to create a coaching pool across Wiltshire and share learning to develop the coaching offer further.

WIGAN METROPOLITAN BOROUGH COUNCIL

Wigan Council is a metropolitan borough of Greater Manchester and a member of the Greater Manchester Combined Authority. It has a population of approximately 317,800 people, making it the ninth-largest metropolitan authority in England and the second largest in Greater Manchester. Wigan Council has championed an asset-based approach to its workforce strategy that emphasises unlocking employees' potential and drawing on their skills and knowledge to improve local services.

THE DEAL FOR STAFF

In a context of continuous budget cuts and increased demand on services, the council created The Deal for the Future: Wigan Council 2020, which is a vision for the future of the borough and how the council delivers local services. This was then translated into a Deal for Staff that highlights a cultural change in the way staff work and the need to change workforce behaviours, values and ethos. The three core behaviours that underpin thenew workforce operating model are: be positive, be accountable, and be courageous. There are also specific behaviours for managers: inspire, care, and engage.

The aim is to foster a culture where both the leadership and staff at all levels take pride in what they do, are responsible for making things better, and are open to doing things differently so that they embody the Deal and the council's new relationship with residents. The behaviours are integrated into Wigan's internal communications strategy and are reflected in the staff awards as people are rewarded for being ambassadors of the behaviours. At the same time, managers are encouraged to engage, connect, and generate energy among their staff so that they feel valued and an asset to the organisation.

THE 'BEWIGAN' EXPERIENCE

Wigan Council came up with an innovative way to communicate the new vision to all of the workforce. Instead of holding a traditional training course that would have cost approximately £90,000, the council created an interactive two-hour walk through experience that brings the Deal for

the Future to life, explains why change must happen, and communicates the new culture and behaviours essential to achieve this new vision. This is delivered by hosts from all departments. The experience includes audios from staff across the organisation who share how they display the behaviours, exercises where staff get a series of scenarios and are asked how they would behave, and a pledge room where they commit to incorporating the behaviours in their work.

MY TIME AND MY TIME EXTRA

'My Time' and 'My Time Extra' are Wigan Council's new take on appraisals. 'MyTime' are regular one to one meetings between managers and their team members throughout the year. They cover a broad range of areas; the first question of a 'MyTime' session is 'how are you', and the information that managers draw from that question alone is valuable. The aim is to dedicate time and space to have a conversation with the workforce to 'hear their story, and understand their needs and aspirations,' to strengthen the line management relationship, and identify any underlying problems or performance issues. They created a guide that employees and managers can use that provides a number of potential topics for discussion during MyTime meetings, which includes personal interests and hobbies, workloads, work objectives, development requirements and opportunities to learn and grow, feedback to the manager, and finally setting objectives.

My Time Extra is a more in-depth conversation that each staff member is entitled to at least once a year. Unlike the traditional appraisal system, My Time Extra is not just an evaluation of past performance, rather a more forward looking exercise and an opportunity to reflect with the manager about what has and has not gone well, and what can be done differently going forward. Employees also reflect on how they displayed the council's behaviours and what they would like to work on. Finally, they discuss future aspirations, personal goals and development opportunities.

STAFF ENGAGEMENT

For Wigan Council, staff engagement and transparency have been essential parts of its HR and OD (organisational development) strategy in order to

bring everyone on board with the council's vision for the future in light of the budget cuts and changes taking place. For example, the chief executive and leader hold 'Listening into Action' sessions with staff every two weeks to engage them on the corporate journey and to listen to their feedback and ideas. These sessions have led to changes in the Terms and Conditions as well as to implementing new ideas such as the Attendance Rewards Scheme; a draw that staff go into every quarter and the winners get a cash prize. Wigan Council also supports two staff volunteer days a year and conducts an annual staff engagement survey that helps the council understand their employees and what motivates them.

ST ALBANS CITY AND DISTRICT COUNCIL

St Albans is a district and city council located in the east of England, with a city population of 146,000. St Albans' cultural heritage and beautiful architecture make it an attractive place to live and work. However, with frequent and fast trains to London, it is very commutable to the multitude of vacancies the capital offers. Over half of the population commute out of the district to work and a high proportion of those are qualified professionals travelling into London. It is an expensive place to live: St Albans has the highest median house prices in England (April-June 2015): higher even than London.

As a result, the council has historically struggled to recruit and retain for certain positions. Professionals working in the areas of planning and urban design are often tempted by the higher salaries and the glamour of the building projects in London. And because of the high price of living, St Albans City and District Council is reliant on the local population applying for entry-level and frontline positions.

The council therefore have to stand out to recruit and retain talented staff as well as nurture local residents from an early stage. It puts emphasis on the following solutions:

GROWING OUR OWN

Training and development is extensive at St Albans City and District Council. The council takes a holistic approach to this, with schemes for school leavers, recent graduates and potential leaders. They work with providers such as Milton Keynes Council and Oaklands College to develop and deliver apprenticeships in hard-to-recruit areas like local taxation and planning. The council are also working with the college and University of Hertfordshire to explore the potential for delivering a degree-apprenticeship pathway in planning, and are working hard to influence national strategy in this area.

The council also recognises that young people want opportunities to develop and gain responsibility. For the last five years they have taken part in the National Graduate Development Programme (NGDP), giving graduates high profile roles and political exposure. Additionally, graduate interns have helped to shape the council's recruitment strategy, making videos for the council's website. The council has two leadership programmes. Future Leaders gives training on media appearances, communication with councillors, and a chance to complete a 20 day secondment in a different area; as well as a residential to put theoretical experience into practice. The ASPIRE programme ensures all line managers, from team leader to the chief executive, have the skills needed to develop the talent in their teams. This programme is delivered in partnership with the University of Hertfordshire.

BRANDING AND TARGETED ADVERTISING

St Albans City and District Council uses its existing workforce as a key part of its branding, promoting the 'human face' of the council, giving jobseekers a good idea of what it would be like to work there. To promote visibility, top managers have their phone numbers and emails on the council's website. Marketing materials highlight that working at the council offers work-life balance and the chance to avoid a lengthy commute. It takes advantage of the accessibility to London, promoting the council's vacancies on commuter train station platforms.

BETTER MANAGEMENT AND REDUCED HIERARCHY

Rather than focusing on the annual appraisal, the council takes the view that managers should have 'better conversations, more frequently'. Performance management encompasses one-to-ones and team meetings and the 360 feedback process captures holistic feedback from 10 nominated peers including external partners and colleagues. Managers are encouraged to capture evidence on an ongoing basis, and the council are looking to adopt the use of digital tools to assist managers in this process.

As a district council with 365 full-time equivalent staff, St Albans City and District Council has found it relatively easy to reduce hierarchy, with a flat management structure for five years. No-one, including the chief

executive, has their own office. Councillors are free to move about within the organisation and speak to anyone, with no hierarchy in communication. Staff at all levels can expect to get feedback from councillors about, for example, a report they have written. Staff are also given flexibility and trust, and many work from home 1-2 days a week. This is all part of encouraging a flexible and outcomes-focused approach to managing employees that allows people to flourish and become the leaders of tomorrow.

APPENDIX C: METHODOLOGY

Research for this project was carried out in the following ways:

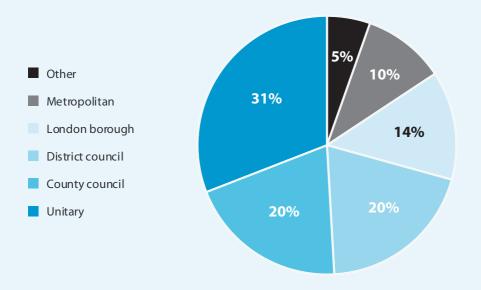
- A desk-based literature review was conducted, pertaining to workforce reform and local government which included publications by membership bodies, academic research, sector- and role-specific literature, and global examples of workforce reform.
- We circulated two different surveys to officers in local government. Our general workforce survey was intended for anyone working in local government and received 2,574 responses. It was circulated via our database, social media, and our partners on this project including the Local Government Association. We used a snowballing technique whereby respondents were encouraged to pass the link onto colleagues and many councils promoted it to all employees. We sent a separate survey to HR officers requesting that a senior HR officer complete it on behalf of the council.
- 3. In-depth interviews with stakeholders (e.g. senior HR officers, chief executives, councillors, union representatives) explored themes emerging from the survey data in more depth, as well as testing potential solutions. We also held two roundtables in London and Manchester, each attended by approximately 15-20 senior officers from across the country.
- 4. Three in-depth case studies were sourced from survey respondents and our pre-existing knowledge of good practice. They were selected to ensure a balance of different types of councils and where there was clear evidence of strategic and systematic change, although we recognised that this is an ongoing process for many councils.

APPENDIX D: ABOUT OUR SURVEY

We had a good range of different types of councils participating in our workforce survey, with respondents most likely to work for unitary authorities (Figure 6). Given the survey was aimed at all of the local government workforce, we would not expect this breakdown to map proportionally onto councils by types or councils by region.

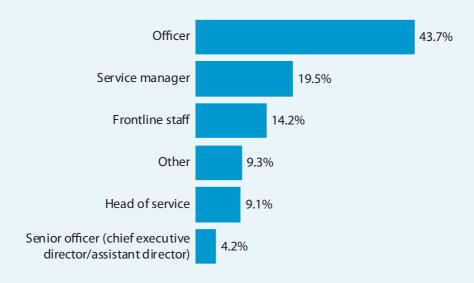
We had low representation from councils in the north-east (3.4 per cent) although there are fewer councils in this region than others. Officers comprised 43.7 per cent of respondents to our survey (Figure 7); the number of frontline staff responding (14.2 per cent) was relatively low and could reflect that this group are the least likely to be desk-based and have regular access to a computer. Most respondents to this category selecting 'other' (9.3 per cent) specified their specific job title which appears to be at junior officer or frontline staff level.

FIGURE 6 RESPONDENTS BY TYPE OF COUNCIL (N=2,551)



Responses to our HR survey of senior officers came from a sample of 142 local government HR professionals representing 113 councils across England. The sample was broadly representative of England's 353 councils in terms of the type of local authority and region, but with a slight underrepresentation of district councils and over-representation of London boroughs and unitary councils.

FIGURE 7 WORKFORCE SURVEY RESPONDENTS BY ROLE (N=2,537)



THE LGA

The LGA (Local Government Association) is a politically-led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government.

It aims to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

For more information, please visit www.local.gov.uk



GATENBYSANDERSON

GatenbySanderson is the UK's foremost executive recruitment and talent consulting business working with local government, as well as the broader public and not-for profit sectors.

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Through our day to day work we help councils address the many and varied challenges facing them now and for the foreseeable future, and we are passionate about identifying the skills, behaviours and attributes that councils will need from their senior leaders to tackle these.

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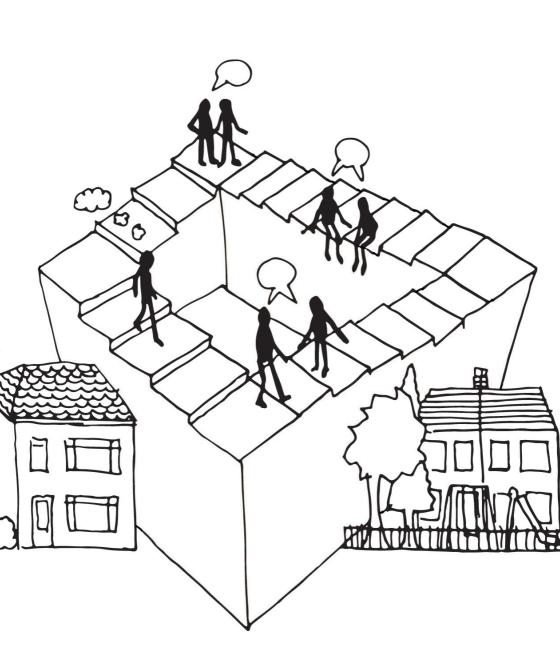
PPMA

The Public Service People Managers' Association (PPMA) is a collective voice for the public sector HR community and plays an important role influencing key decision-makers and stakeholders on people management and workforce issues.

The PPMA is committed to the development of world-class HR practice in the public sector and helps members add value to their organisations – and their own professional development. Through a network of senior HR practitioners, the PPMA facilitates the shaping and sharing of best practice among members. It also offers opportunities to access goods and services at lower cost. We believe the collective voice is stronger than the individual one.

For more information, please visit www.ppma.org.uk





The council of today has little in common with the big institutions of the past. Prompted by the funding cuts of the last decade, councils have had to transform. They are now collaborators and place leaders, commissioning councils, commercial councils and cooperative councils. As with any organisation, it has been the people – the workforce – at the heart of these changes.

Local government needs to engage its current and future workforce to make sure they are ready to take on the challenges of tomorrow's council. This report uses original research and examples from around the world to explore and outline what a 'new deal' could look like. The authors argue that a cultural change towards a less hierarchical workplace will attract and retain the staff local government needs.

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