
Cabinet Member for Strategic Finance and Resources

12 October 2017

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resource – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title:

Workforce Strategy – Resource

Is this a key decision?

No

Executive Summary:

The purpose of this report is to seek approval for the use of corporate reserves to enable timely delivery of the Workforce Strategy 2017-2020. This will ensure our workforce is agile, digitally able and committed to Coventry People.

A key part of our workforce delivery programme includes seeking to improve governance of our employment costs, put in place fairer pay, recognition and reward systems and seek to adopt modern employment policies.

As reported to Cabinet on 7th March 2017 the Head of HR & OD, working with colleagues from across the council have embarked on a demanding change and improvement programme to realise the benefits outlined in our Workforce Strategy. The programme, which includes significant workforce reform will support our employees to be more confident, digitally capable and skilled in their respective professional and work area to meet the needs of Coventry people now and in the future.

Delivery of the workforce strategy will seek to improve our arrangements in regard to employment governance, put in place effective management practices and ensure that employees are fully engaged and committed to the aims of the Council. In addition the programme will also deliver on the savings target of £5 million per annum by 2019/2020 which is to be achieved by reducing our employment costs in line with other public sector organisations.

Following analysis of the plan of work required to deliver the programme, the Cabinet Member is being asked to approve the use of £750,000 distributed over the 3-4 year lifetime of the programme. It is anticipated that spend for this financial year will be less than £100k and that larger costs will be incurred in 2018-2020 with some residual costs in 2020-21.

Recommendations:

The Cabinet Member for Strategic Finance and Resources is requested to approve use of corporate reserves of £750,000 across 3 years (as profiled in paragraph 5.1) to support the delivery of the Workforce Strategy Programme.

List of Appendices included:

None.

Background papers:

- **Coventry City Councils Workforce Strategy 2016-2020** – agile, digitally capable and committed to Coventry People – Cabinet Member Report December 2016
- **Workforce Reform** – Cabinet Report – 7th March 2017

Other useful documents

None.

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Workforce Strategy – Resources

1. Context (or background)

- 1.1 The City Council pay bill is £152m and represents the Council's largest spend. The size of the financial costs and ongoing austerity measures means that the Council must seek to reduce employment costs.
- 1.2 The Council's budget includes a savings target of £1m in 2018/2019 rising to £5m by 2019/2020 linked to reducing the cost of employment. Cabinet has previously approved the Workforce Strategy including workforce reform which seek to deliver savings and enable the Council's workforce to better deliver services.
- 1.3 The programme will ensure that we have greater adherence to best practice with regard to employment policy and practice and also ensure much greater flexibility to respond to legislative changes.
- 1.4 The £750,000 sought over the next three years will help us to achieve a reduction in the pay bill by ensuring we have the right resources in place to imbed and deliver these changes.
- 1.5 A high level summary resource plan to enable delivery of the workforce strategy has been developed. Nevertheless, stakeholder engagement is still on-going, therefore this may be subject to further amendment.
In order to deliver the workforce strategy, resource will be necessary to deliver changes and improvements to our employment policy and practice, management practices and fairer pay and reward frameworks. It is anticipated that the following areas will need one-off resources to enable these changes;
 - Increased employee engagement with specific and tailored communications with individual employees;
 - Significant and high volume HR/OD IT system changes to the employee record and payroll;
 - Specialist expertise in regard to pay and reward options and frameworks aligned to the public sector reform agenda and national pay deal; and
 - Dedicated and targeted investment to enable the transition to the new management, employment policies and practices;

1.6 Process to be followed

As described in the Cabinet report approved in in March 2017, detailed discussions with trade union colleagues and employee engagement is on-going at this time. Following the conclusion of this process, recommendations will be made to relevant decision makers.

2. Options considered and recommended proposal

- 2.1 Cabinet has previously agreed the Workforce Strategy, including workforce reform. Following analysis of the likely level of resources required within the timescale identified, without the use of additional resource it is unlikely that it will be possible to deliver the programmes.

3. Results of consultation undertaken

- 3.1 Significant engagement with key stakeholders is embedded within the programme. Stakeholders include Trade Union representatives and staff groups.
- 3.2 Staff engagement sessions held in May and June saw over 200 staff turning out and coming up with more than 1,200 helpful comments and ideas. Feedback from the sessions can be found here <https://coventrycc.sharepoint.com/News/Pages/Delivering-our-Workforce-Strategy.aspx>
- 3.3 Engagement will be on-going throughout the programme.

4. Timetable for implementing this decision

- 4.1 Engagement with staff and Trade Unions has commenced and to deliver the programme and targets within the necessary timescales the resources will be required as outlined in paragraph 5.1 below.

5. Comments from the Director of Finance and Corporate Services

5.1 Financial implications

The cost of implementing the programme of change across the 3 year period is expected to be £750k as detailed in the table below.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £00	Total £000
Workforce Strategy – workforce reform	60	315	320	50	750

With the programme expected to deliver £5m of ongoing savings from 2019/2020 it is proposed that the above one off costs of delivery are met from within existing corporate reserve balances. No more than £750,000 is approved across the lifetime of the project.

As stakeholder engagement is still ongoing and the resource plan has not yet been finalised, the funding requirement will be reviewed on an annual basis.

5.2 Legal implications

There are no specific legal implications arising from the recommendation to Cabinet Member.

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

The proposals contribute to the Council's ability to deliver the City Council priorities with lower costs and fewer resources by making the most of our assets and changing how we work to become more flexible and adaptable.

6.2 How is risk being managed?

The Workforce Strategy programme is being delivered within a defined programme management framework. Programme controls including defined governance arrangements and a risk plan are in place and will be further refined as the programme develops.

Without additional resource it is doubtful that the programme will achieve savings targets. Funds will be used to help mitigate risks associated with the programme and ensure any changes are effectively embedded across the organisation.

6.3 What is the impact on the organisation?

Workforce reform and the wider strategy will put in place the necessary platform to ensure that;

- All employees are motivated and have the required knowledge, skills and capability;
- are fairly rewarded and recognised for their contribution;
- That managers enable a high performing culture to emerge that is focused on meeting the needs of Coventry people and the city as a whole; and
- Employment costs and practices are within the appropriate public sector benchmark parameters.

6.4 Equalities / EIA

Detailed equality impact assessments will be undertaken on each aspect of the proposals.

The proposals are intended to support the Public Sector Equality Duty in having due regard to eliminate discrimination, advance equality of opportunity and foster good relations between people with relevant protected characteristics.

6.5 Implications for (or impact on) the environment

There are no environmental implications.

6.6 Implications for partner organisations?

None.

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Contact details

Directorate: People

Enquiries should be directed to the above person. – all dates need to be completed

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Members:				
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources		18.09.2017	18.09.201

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