



**Council – 28 September 2023**

## **RESILIENCE, RESOURCES, PRIORITIES**

### **Report of the Chief Executive**

#### **Report Author and Contact Details**

Paul Wilson, Chief Executive

01629 761126 or [paul.wilson@derbyshiredales.gov.uk](mailto:paul.wilson@derbyshiredales.gov.uk)

#### **Wards Affected**

District-wide

#### **Report Summary**

The report discusses a series of issues relating to organisational resilience, resources and priorities and outlines potential options for members to consider in order to deliver a package of measures to aid the recruitment and retention of staff to ensure that the Council is adequately resourced to deliver its core services and priorities.

#### **Recommendations**

1. That Council acknowledges the limitations on organisational capacity and the need to ensure that our resources are directed towards the delivery of core services in accordance with agreed service standards and clearly defined and resourced Council priorities.
2. That Council considers the options to enhance recruitment and retention as outlined in the report (Section 10) and advises which of the measures it wishes officers to develop for further detailed consideration.
3. That the existing Job Evaluation Reserve be repurposed and retitled to 'Recruitment and Retention Reserve'.
4. That Council notes the retirement of the Licensing Manager with effect from 1<sup>st</sup> April 2024 and supports the recruitment of a new Licensing Manager to work alongside the existing post-holder for a period of up to 4 months and that a supplementary revenue budget for 2023/24 of £19,923 be approved for this purpose, financed from the General Reserve.
5. That Council supports the recruitment of an additional communications resource to support the Ashbourne Reborn project on a 2-year fixed term contract at an estimated total cost of £88,000 and approves a supplementary revenue budget of £11,000 for 2023/24, to be financed from the General

Reserve and the inclusion in the Medium-Term Financial Plan of £44,000 for 2024/25 and £33,000 for 2025/26.

6. That Council supports the appointment of Aecom to provide interim communications resources to support the Ashbourne Reborn project and approves a supplementary revenue budget for 2023/24 of £10,000, to be financed from the General Reserve.
7. That Council endorses the need for external data protection support to achieve compliance against the Information Commissioners Accountability Tracker and approves a supplementary revenue budget for 2023/24 of £10,000, to be financed from the General Reserve.
8. That Council supports the establishment of an out-of-hours duty roster to deal with specific situations requiring immediate action or attention and approves a supplementary revenue budget of £5,000 for 2023/24, to be financed from the General Reserve.
9. That Council supports the need to appoint an external valuer to undertake the asset valuations required to provide a compliant Statement of Accounts and approves a supplementary revenue budget of £30,000 for 2023/24, to be financed from the General Reserve, and the inclusion of £30,000 per annum in the Medium-Term Financial Plan.

#### **List of Appendices**

None

#### **Background Papers**

Minutes – Council Meetings (29 September 2022)

#### **Consideration of report by Council or other committee**

No

#### **Council Approval Required**

Yes

#### **Exempt from Press or Public**

No

#### **Resilience, Resources, Priorities**

##### **1. Background**

- 1.1 Throughout the Covid-19 pandemic, local government and other public service providers, demonstrated a remarkable level of resilience, flexibility and adaptability in order to meet the needs of the crisis we faced. However, in the post Covid-19 era, local government faces a series of acute workforce challenges on a scale which has never before been experienced.
- 1.2 Maintaining sufficient capacity and skills, attractiveness as a career choice, competition from other sectors, flexible working arrangements and the continuous inflationary erosion of pay are all having a severe impact upon the ability of councils of all types and sizes to attract and maintain staff of the calibre required to deliver high quality services. At the same time, there

is a constant need to prioritise corporate projects and initiatives in order to ensure that the organisations resources are aligned to efficient and effective service delivery.

- 1.3 In July 2022, a report published by the House of Lords Public Services Committee – *‘Fit for the future? Rethinking the public services workforce’* concluded that the resources of public services are at breaking point. As such, there is a need to consider how demand can be reduced and also how more can be achieved by fewer people.
- 1.4 In recent years, Members have regularly considered reports which have looked at Organisational Resilience, Resources and Priorities (16<sup>th</sup> January 2020, 27<sup>th</sup> January 2022, 17<sup>th</sup> February 2022 and 29<sup>th</sup> September 2022). This report continues that theme and focusses upon a number of current and future challenges faced by the organisation. It looks specifically at the following issues:
- Organisational Capacity
  - District Council Workforce Profile
  - Recruitment and Retention
  - Pay and Recognition
  - Training and Development
  - Graduates and Apprentices
  - Employee Support and Benefits Package
- 1.5 In addition, the report will seek to consider a number of current challenges and emerging issues in relation to the recruitment of a new Licensing Manager, outsourcing of asset valuations, the need for external support on data protection and the appointment of additional communications resources to support the delivery of the Ashbourne Reborn project.

## **2. Organisational Capacity**

- 2.1 The Council has always prided itself on providing high quality, responsive services that contribute significantly to residents’ well-being and quality of life. However, there is an increasing need to be clear on what the Council’s priorities are and conversely, what the non-priorities are, in order to ensure the efficient and effective alignment of organisational resources. It is therefore necessary to evaluate whether the resources currently available are capable of delivering against a constantly rising demand of public and member expectations. The formulation of a new Corporate Plan will be critical to this discussion and it will be essential that Members have regard to the issues of organisational capacity and resources in finalising the new Corporate Plan during the next few months.
- 2.2 In January 2022, members were informed and acknowledged, that the current demands placed upon the officers across the whole of the organisation were unsustainable with little appreciation of the impact that this was having upon employee wellbeing. In this regard, it was emphasised that there was a need for a greater appreciation of officer capacity and organisational resource limitations which includes the personal demands of members placed upon officers at all levels, outside of the agreed Council and service priorities.

- 2.3 Further to this report, the independent review of the Council's waste management contract, considered at the meeting of Council on 17<sup>th</sup> February 2022, included a specific recommendation that *'a review of the corporate management capacity is undertaken to ensure that future major transformational and modernisation projects are adequately resourced'*.
- 2.4 Following the completion of the Independent Waste Review, the Corporate Leadership Team engaged the services of 'Circling Squares Ltd' who worked collaboratively with senior managers across the whole of the organisation in order to focus upon the following key areas of work:
- Vision and Priorities – ensuring the organisation is well positioned to anticipate future challenges, clarifying current and emerging priorities to deliver members' vision.
  - Culture and Capacity – identifying capacity pinch points and gaps which could have an impact on service delivery and organisational effectiveness, ensuring resources are aligned to priorities.
  - Communication and Engagement – promoting a positive culture where people feel involved and supported whilst communicating the future priorities to enable the organisation to continue our transformational journey.
- 2.5 The outcome of this engagement work was covered in detail as part of a Member Workshop session delivered on 8<sup>th</sup> August 2022. In summary, the engagement revealed that:
- Capacity is stretched (over 40 priorities with more emerging, plus legacy projects and corporate projects) compounded by focus on issues outside the Corporate Plan with minimal additional resources available.
  - Challenges around recruitment and retention at all levels of pay/grading, a perceived eroding of terms and conditions which is compounding the ability to attract and retain key skills with a knock-on impact on delivery, ensuring effective upskilling and succession planning.
  - With limited resources there are inevitably capacity pinch points on projects with the same skill sets e.g., Finance, HR, Estates & Facilities, Transformation and Legal are required on most projects.
  - People enjoy working for the organisation however, the impact of Covid and the positive use of hybrid working has meant that a cultural re-alignment is required to ensure that the interaction between the leadership team, members and the organisation remains transparent, efficient and effective.
  - Building upon the transformational successes of the last few years, there is momentum to embrace further change across the organisation.
  - There is a positive culture and supportive working environment with an experienced CLT team headed by an inclusive and considerate Chief Executive

2.6 In September 2022, members agreed to invest in a comprehensive package of further external support measures provided by ‘Circling Squares’, to support the Chief Executive, Corporate Leadership Team, Senior Management Team and elected members. Whilst it is not the purpose of this report to respond to these specific issues, Members are to be briefed on the outcome of this work on 25<sup>th</sup> September 2023 and further reports will be presented to subsequent meetings of Council as necessary.

### 3. District Council Workforce Profile

3.1 The current establishment for the district council comprises 221 individual posts. In addition, there are a number of services which are managed by the district council but are delivered in partnership with others including Freedom Leisure, SERCO, and shared service arrangements for Revenues and Benefits, ICT and Internal Audit.

3.2 The workforce profile by age of employee and grading is shown in Table 1.

Grade	Posts	All Posts	Age Groups				
			<21	21-30	31-40	41-50	51+
Apprentice to Grade 5	number	107	1	15	15	20	56
	% of the scale	48%	1%	14%	14%	19%	52%
Grade 6 -9	number	73	0	6	13	22	32
	% of the scale	33%	0	8%	18%	30%	44%
Grade 10+	number	41	0	0	8	12	21
	% of the scale	19%	0	0	20%	29%	51%
All Posts	Total number	221	1	21	36	54	109
	% of posts	100%	.5%	9.5%	16%	24%	49%

3.3 The workforce profile indicates a number of existing and future challenges in respect of the following:

- 49% of staff are over 50 years of age with 77 colleagues (34% of our workforce) over age 55. Whilst state retirement age has now moved to 66+, there is a significant risk that we will face the retirement of increasing numbers of long serving, skilled and knowledgeable colleagues over the next 5 – 10 years as employees may choose to retire early and access their pension from the age of 55 years.
- 15% of our workforce (34 colleagues) are aged 60 or over and are probably thinking about their retirement plans. Whilst full retirement

before state pension age can be unaffordable for many given the actuarial reduction in the pension for taking it early and having it in payment for longer, past experience indicates that this is still an attractive proposition for some employees, particularly those in senior positions with long service.

- 51% of senior manager positions (Grade 10 and above) are occupied by employees aged 51+. This is a significant risk to the loss of corporate knowledge and demonstrates the need for effective succession planning.
- The significant lack of younger people / graduates under 21 years of age employed by the Council is a cause for concern and demonstrates the need to 'grow our own' and have effective succession plans in place.

3.4 In order to address the above, the District Council needs to ensure that it can deploy a range of policy initiatives and measures to attract and retain employees of the calibre required. The remainder of this report will discuss specific issues and will focus upon the options and opportunities that are potentially available.

#### **4. Recruitment and Retention**

4.1 Historically, the District Council workforce has remained relatively stable with turnover of approx. 10% per annum. However, since the Covid-19 pandemic, turnover has increased significantly to circa 18% in both 2021/22 (48 leavers) and 2022/23 (43 leavers). This has coincided with significant challenges in attracting candidates with the necessary expertise and experience in a number of key areas including Finance, Audit, Legal, Policy & Regeneration, Sports Development, Business Support and Clean and Green. In a number of cases, vacancies have been advertised numerous times – on each occasion incurring additional costs, delay and impacts upon productivity.

4.2 In order to sustain service delivery and meet statutory deadlines in some of these key areas, the Council, like many other councils across the country, has had to resort to the employment of temporary and/or agency staff for significant periods of time which is both expensive and an ineffective long-term solution. In 2021/22, the Council spent £169,056 on temporary staff in the finance team alone due to our inability to recruit permanent staff and the need to meet statutory deadlines. According to analysis by the national campaign group – the 4 Day Week Campaign, FOI requests found that in 2022/23, councils across the UK spent £2.1bn on agency staff, amounting to 6% of their total spend on staff.

4.3 Clearly, this is not an effective use of taxpayers money and is neither sustainable nor an effective solution to recruitment and retention challenges. In order to deal effectively with this issue, employers need to take responsibility and respond positively to the challenges that exist.

#### **5. Pay and Recognition**

5.1 The Council's pay structure is based upon the Council's Single Status Agreement and on the National Joint Council for Local Governments Services Job Evaluation scheme which has the support of trade unions and

employees. Any changes to jobs or new jobs go through a job evaluation process to ensure that there is consistency and fairness. The process is focused internally, looking only to establish the relative responsibilities, job demands and accountabilities within the organisation, so that core gradings can reflect these. Salaries are set according to the national pay grading scale.

- 5.2 If the grade and salary level resulting from job evaluation produce grade/salary levels which are not competitive in the external jobs market, it is permitted within employment law and the Local Government Green Book of terms and conditions (although not always desirable) for the Council to offer additional pay in the form of market supplements, provided that these are objectively justifiable in terms of market data and are temporary, with regular reviews (every 2 years) to ensure that the payments remain valid. By the same token, the Council can, in certain circumstances, offer recruitment incentives (“golden hellos”) or retention payments (“golden handcuffs”) to help it recruit and retain staff in the face of problems over being competitive in the jobs market.
- 5.3 Pay negotiations for all District Council employees (below Chief Executive and Chief Officers) are conducted at a national level on our behalf by National Joint Council (NJC). As part of our collective agreement with the trade unions, we participate in national bargaining and therefore any negotiated settlement reached at a national level is mandatory and is applied to all our employees. Pay awards for Chief Officers are also determined at a national level by the Joint National Council (JNC) a separate machinery exists for Chief Executives
- 5.4 As part of the 2023 national pay claim (which remains in dispute and may be subject to strike action), Unions have claimed that since 2010, NJC spine points have lost on average 25% of their value when measured against the cost of living / Retail Price Index (RPI). As a consequence, it is claimed that a wage keeping pace with the cost of living each year would have risen by 47.9% since 2010, however NJC pay has risen by just 20.7% over the same period.
- 5.5 The Office for National Statistics (ONS) says that private sector pay grew 6.9% between August and October 2022 while public sector pay grew 2.7%, and that this was among the largest differences ever seen between the two. Public-sector pay was frozen from 2011-13 and then capped at a 1% annual increase until 2018. If you look at the total pay figures, which include bonuses, private sector pay has actually overtaken public sector pay, mainly due to the fact that private sector workers are much more likely to receive bonuses than public sector workers. On the other hand, the figures do not reflect the fact that public sector workers tend to have considerably better pension provision than private sector workers. However, such differences in pension provision do not aid recruitment and retention challenges currently faced by the public sector.
- 5.6 As a consequence of pay differentials, the Institute for Fiscal Studies has warned "The continuing fall in public sector pay relative to the private sector poses recruitment and retention challenges for public services and could threaten the government's ability to deliver on its public service objectives."
- 5.7 It is difficult to ignore the cumulative impact of, and tangible link between, below inflation national pay awards for the last 10 years and our ability to offer competitive salaries in what is a diminishing pool of talent and interest in local government as a career. Whilst this problem is by no means limited to local

government, as a small district council with limited resources, we are very much at the 'sharp end' and it is proving increasingly challenging to recruit and retain staff in a highly competitive market. Therefore, as an employer, we must do all that we can to remain competitive and promote both local government as a sector, and Derbyshire Dales District Council as an employer, in order to attract and retain the best talent available.

5.8 The importance of fair pay is a subject covered by the biennial all staff survey. The last completed survey (October 2021) provided an indication of the factors that are regarded as being most important to staff. The top 5 responses were:

1. Being fairly paid (24.14%)
2. Flexible working / family arrangements (17.24%)
3. Ensuring that employees are supported by their managers / supervisors (13.79%)
4. Making employees feel valued (13.79%)
5. Providing employees with sufficient resources to do their jobs well (10.34%)

5.9 In addition to pay, local government has always sought to offer attractive terms and conditions which were once our 'USP' in attracting staff i.e., flexible working hours, hybrid working, local government pension scheme, holiday entitlement, learning and development support, family friendly policies etc. However, many of these are now commonplace in the private sector who have caught-up with terms and conditions and in some cases, exceeded what we currently offer.

5.10 The differences between employment in the private sector compared to the public sector, are not therefore as significant as they once used to be.

## **6. Training and Development**

6.1 Training and Development currently takes three distinct forms:

- Corporate training i.e., CPD, professional updates etc. (Budget £8500)
- Vocational Training i.e., professional courses and qualifications (Budget £7000)
- Online training via LOLA i.e., induction, health and safety, safeguarding, data protection etc. (Budget £7300)

6.2 The cost of Vocational training is paid at 50% by the Council and 50% by the employee, through payroll deductions. Cost is limited to training fees and essential books only (no travel or subsistence) and a training agreement is put in place if the full cost is more than £500. Should the employee leave the Council's employment within 2 years of qualification, the Council's 50% support is repaid on a sliding scale.

6.3 Whilst the above arrangement enables the Council to support a larger number of employees through vocational training, the costs of some qualifications are so prohibitively expensive that employees often cannot afford to match the 50% required contribution, for example for colleagues in finance to obtain a CIPFA qualification, the cost is circa £21,000. As a result, there are existing employees who have the potential and desire to progress as part of our succession plan



but are currently prevented from doing so due to the lack of financial support we are able to provide, and at a level they are able to afford.

- 6.4 In order to address this situation, the Council would need to increase the amount of financial support it provides to assist with the development of future talent.

## **7. Graduates and Apprentices**

- 7.1 In recent years, the District Council has attracted and employed a number of recently qualified graduates in a variety of roles in Business Support, Environmental Health and Democratic Services. However, we have not sought to actively target and attract graduates to specific vacancies or positions other than through conventional means of advertising vacant positions as and when they arise.

- 7.2 For many years, the Local Government Association (LGA) has operated a Graduate Development Programme (NGDP) which offers a unique opportunity to place high quality graduates in councils, helping them to meet strategic goal and build a pipeline of future talent. Derbyshire Dales have never participated in this programme. In order to participate, there is a requirement to:

- Employee national management trainees on a minimum two-year fixed contract.
- Pay national management trainee salaries at national local government spinal column point SCP20 (currently £28,371).
- Organise a minimum of three placements for each trainee over the two-year period.
- Promote the NGDP to raise the profile of the programme locally to attract a diverse and talented pool of candidates.

- 7.3 The LGA will in return, market the NGDP at a national level, including extensive engagement at university fairs and promotion in national publications. For those Councils who sign up to the programme before candidate applications close, the LGA will also promote the scheme with local universities and provide additional support to attract graduates interested in

- 7.4 Since 2018, the District Council has recruited 12 apprentices – six of which have been retained whilst six have left the authority. The retained apprentices have been appointed into permanent positions (as they arise) within the Council's Clean and Green Team. Housing and Accountancy and are making a valuable contribution to the organisation.

- 7.5 Where apprentices have left the authority, this has been down to them not continuing with their apprenticeships, choosing to pursue further education opportunities or securing alternative employment.

- 7.6 The recruitment and retention of apprentices can be challenging as young people are often unsure about the career they wish to pursue. As such, the retention rate is often lower however, where we are able to train and retain apprentices, the gains certainly outweigh the losses.

## **8. Employee Support and Benefits Package**

8.1 In considering a pay and benefits package, it is important to consider employee rewards beyond the salary received. The total reward package offered by the Council includes such as:

- Local Government Contributory Pension Scheme with life insurance;
- Salary Sacrifice Schemes e.g. Cycle to Work, additional leave purchase;
- Flexible and hybrid working opportunities;
- Maternity, Paternity, Adoption and Shared Parental Leave entitlements;
- Support for parents / carers
- Learning and Development opportunities;
- Counselling support services;
- Occupational health services.

8.2 Whilst all of these measures are valued they are in the main replicated (and in some cases bettered) by other local government employers. Increasingly, authorities are looking towards other measures that can be employed to 'set them apart' and provide competitive advantage in a very difficult recruitment market.

## **9. Recruitment and Retention Initiatives Already Implemented**

### Market Supplements

9.1 The increasing pressures in the national or regional labour market can mean that pay levels for a particular category of employee in a particular function can be such that the District Council's normal pay level would not be sufficiently competitive to enable it to recruit or retain an employee in that function. In that case, where there is proven difficulty to recruit (defined by at least 2 failed attempts), a market supplement policy will be applied. There are currently 11 posts in receipt of a 3-year market supplement ranging from 9-15%. These market supplements have been determined by the Corporate Leadership Team and will be subject to review in line with the District Council's Reward and Recognition Policy.

9.2 Supplements can be retained, increased (max 15%), decreased or removed. Clearly, removing a market supplement will be unpopular as the post holder has enjoyed the increase for a reasonable period of time and it could lead to increased turnover of staff. Whilst this tool has enabled appointments to be made in a number of challenging situations, it is divisive as it changes the pay relativities of similar posts on the same grade.

### Welcome Payments

9.3 Given proven difficulty to recruit to some vacancies, a 'Welcome Payment' trial has also been initiated comprising a payment of £2,000 (50% on appointment and the balance after 6 months). This payment is to be repaid in full if the new employee leaves the District Council within the first 2 years of their appointment; so it also acts as a retention payment. This payment may attract applicants, especially those who may have to repay training grants when leaving their existing employer. The trial is under review however early indications are that it has been a success.

## Career Grade Posts

- 9.4 Career Grade posts are introduced where we recruit below the grade of the established post to offer more flexibility to recruit a trainee if we cannot recruit a fully qualified experienced person. To date, we have established one career grade post in Development Management for retention purposes. Two further posts (Planning and Environmental Health) have been created for recruitment via promotion subject to gaining a qualification. A further post in Internal Audit has been developed specifically for recruitment following proven difficulty to recruit.
- 9.5 There is widespread support from the Corporate Leadership Team to introduce more career grades into the organisation thereby allowing non-qualified or under-qualified staff to be recruited and trained but with sufficient 'head-room' in the pay scale to retain them once we have invested the time and effort in developing them. There is little value in the organisation recruiting, investing in and developing staff if we are unable to retain and appropriately reward them at the end of their training and development programme.

## **10. Potential New Recruitment and Retention Initiatives**

- 10.1 The District Councils significant challenge in the next 5 – 10 years is the impact of an aging workforce. Flexible Retirement is an option for those over 55 years of age as they are able to access the pension they have accrued to their flexible retirement date with an option to pay into a second pension pot in their reduced hours post. Whilst full retirement before state pension age is less attractive for the majority, with 34 colleagues over the age of 60, the impact of failing to take the initiative now could be very significant indeed, particularly when combined with the challenges of recruiting skilled and experienced staff into key roles.
- 10.2 Having regard to initiatives introduced in other local authorities and following discussions with HR and the Corporate Leadership Team, it is considered that there are potential other measures that could be considered (in no particular order of preference).

### Options to Enhance Recruitment and Retention

#### **Option 1: 'Grow Our Own'**

- 10.3 Increase our established apprenticeship programme to include more school leaver apprentices and introduce graduate apprentices. This would require an increase in the salary budget and ideally, a dedicated 'supernumerary establishment budget' to retain excellent apprentices in post for up to 6 months whilst awaiting foreseen future vacancies to be permanently appointed.

#### **Option 2: Enhanced Welcome Payments**

- 10.4 The introduction of 'Welcome Payments' has delivered some success in recruiting to posts that were previously difficult to recruit to. The current payment of £2,000 (50% on appointment and the balance after 6 months) could be increased if the new employee leaves the District Council within the first 3 years of their appointment payback in excess of 2 years. The Peak District

National Park Authority are currently considering 'Welcome' payments of £5,000.

### **Option 3: Enhancement to National Pay Awards**

- 10.5 Whilst the District Council is part of the national collective bargaining process for national pay awards, it has the potential to offer an enhanced pay award (e.g. national pay award +1%) to improve national, regional and local competitiveness. Increased salary costs would have an enduring impact upon the overall revenue budget and would have to be demonstrated to be financially sustainable in both the short and long term, at the time of consideration. A 1% increase on the 2023/24 salary budget would cost circa £87,000.

### **Option 4: Enhancement to Annual Leave Entitlement**

- 10.6 Derbyshire Dales employees are entitled to 26 days annual leave plus a further 4 days after 5 years' service. Most other Councils offer 26 days plus a further 5 days after 5 years' service. An increase in annual leave entitlement would match the terms and conditions of many other councils (including the Peak District National Park).
- 10.7 With the exception of limited Clean and Green operations, the Town Hall is closed on the 3 working days between the Boxing Day and New Years' Day bank holidays. staff are currently required to book these 3 days as annual leave with a maximum of 1.5 days taken as Time off in Lieu or flex leave. In order to bring parity with other councils. One option may be to increase annual leave entitlement by 1 day to match that of other councils with a requirement to take the extra day's annual leave during the Christmas close-down period.

### **Option 5: Career Grades**

- 10.8 Expand widely the concept of career grades. i.e., to give the option to candidates to apply as a 'trainee' to grow into a role. This would require determination of significant factors to enable progress through the career grade based on evidence of experience/ skills/ qualifications etc. but could help attract more applicants especially in difficult to recruit posts.

### **Option 6: Employee Benefits Package**

- 10.9 For many years, the District Council offered subsidised lease cars to employees in designated posts where there was a requirement for a car to be available in order to undertake the requirements of their job. However, this practice was ceased in March 2017 as part of a corporate savings initiative. However, there is no doubt that this incentive was a powerful recruitment and retention measure at that time when salaries offered were generally lower than those of neighbouring councils.
- 10.10 Some Councils are revisiting employee benefit packages in order to gain a competitive edge with larger authorities and the private sector, the most notable example being Litchfield District Council who have recently approved a package of measures to include a scheme of private health insurance, performance related bonuses and employee referral bonuses.

- 10.11 Whilst it would not be financially viable to re-introduce a subsidised lease car scheme, there is the potential to consider salary sacrifice schemes for electric cars. A scheme has recently been adopted by the Derbyshire Building Control Partnership and many other companies across the UK, whereby the employer leases an electric car in exchange for the employee sacrificing gross salary to pay for it. The benefit to the employee is that the cost of the car is recouped from the employee's gross salary which is a legitimate and lawful tax saving for them. The benefit to the employer is that there is a reduction in employer National Insurance contributions and VAT is recovered on the leased vehicle.
- 10.12 The added advantage of a scheme of this nature is that it can support an employee's personal journey to Net Zero and directly reduce the employers carbon emissions for work-based journeys.
- 10.13 Other measures may include the provision of an Employee Assistance Programme EAP – usually including counselling services, health advice but also free legal advice (Chesterfield Borough Council has an EAP).

### **Option 7: Increased Investment in Personal Development**

- 10.14 Increasing the corporate and vocational training budgets would enable more training to be delivered to more employees.
- 10.15 In addition, removing the 50% employee contribution (for specific qualifications or hard to recruit posts) would enable all training to be paid for in full. However, in exchange for this, it is considered reasonable that the Council would seek a return on its investment by requiring employees to remain in the district council's employment for an extended period 3 or 4 years post qualification.
- 10.16 Other options could include the resourcing of managerial qualifications for middle and senior managers (ILM5 or similar) who are identified as part of a corporate 'Succession Plan'. This will ensure that we are developing the talent that already exists in the organisation with a view to preparing them for future opportunities.

### **Option 8: Corporate Succession Planning**

- 10.17 There are a significant number of posts across the organisation which are 'singleton posts' i.e., where only one person has the necessary skills, knowledge and expertise to carry out the required tasks. This poses a significant risk to the organisation, particularly given the age demographic of the workforce. Corporate Succession planning in 'at risk' posts could be deployed to develop employee potential in to be 'the best candidate they can be' for competitive appointment when a vacancy arises through turnover or retirement.
- 10.18 The process would require the identification of individuals alongside a commitment to provide necessary training and development opportunities as 'forward investment' in their potential.
- 10.19 A Draft 'Succession Planning' Policy has been developed and is to be considered at a meeting of the Joint Consultative Group on 26<sup>th</sup> September.

## **11 Financial Resources**

- 11.1 Implementation of any meaningful measures to improve organisational resilience needs have regard to the overall impact upon the Council's finances and specifically, the Medium-Term Financial Plan.
- 11.2 The Director of Resources has previously advised Council that it is difficult to predict the level of finance settlement that might be received from 2024/25 onwards given the lack of clarity over future funding levels. However, with the prospect of a future Fair Funding Review and baseline business rates reset, there is no certainty that previous levels of funding will continue into the medium term as significant changes in local government finance are expected to take place from 2025/26, which could have a significant impact on the Council's revenue account.
- 11.3 The Council has strategic reserves for specific purposes which are earmarked for identified purpose. This ensures the availability of the amounts in these reserves for those purposes and defrays demands on the revenue spending and general balances. These reserves are reviewed on at least an annual basis to ensure they are adequate for the purpose, but not excessive, based on an assessment of needs, an understanding of risks, and taking into account the opportunity costs of maintaining reserves. It is therefore financially prudent to seek to utilise existing resources and reserves wherever possible in order to minimise long-term impacts upon the Council's revenue budget.
- 11.4 The Council has for the past 13 years, retained a Job Evaluation Reserve which was established at the time of the single status pay agreement to deal with wholesale increases in job grades as a consequence of the Job Evaluation Process. In recent years, this reserve has been reduced to reflect the limited demand that has existed; however it currently stands at £150,000.
- 11.5 Corporate Leadership Team in consultation with the Director of Resources do not consider that this reserve is likely to be needed in the future. There is therefore, an opportunity to repurpose and redesignate this reserve as a 'Recruitment and Retention Reserve' to support one-off costs arising from the implementation of any of the options outlined above. Whilst this would not enable measures to be sustained in the long term, it would provide an opportunity for measures to be implemented quickly and until such time that the future impacts of local government funding reforms become clearer.

## **12 Other Employee Related Current Issues**

### Retirement of Licensing Manager

- 12.1 The Council's Licensing Manager has informed the Chief Executive of her decision to retire with effect from 1<sup>st</sup> April 2024 after a long and distinguished 46 year career in local government, almost 36 years of which has been with the District Council. The postholder has kindly offered a period of extended notice in order to enable the Council to deal with this transition. The Licensing Manager is a key post within the organisation with a very specific skill set. It is also a post which will be challenging to recruit to given current market conditions. As such, it is highly desirable that there is an early appointment made and a smooth transition.

12.2 In order to mitigate the risks, it is considered that a recruitment exercise needs to be initiated immediately in order that a new appointee can work alongside the existing post-holder for a period of up to 4 months prior to 1<sup>st</sup> April 2024. The cost of this overlap is estimated at £19,923 including oncosts. If approved, the revenue cost will require a supplementary revenue budget of £19,923 to be financed from the General Reserve.

#### Ashbourne Reborn Communications Resources

12.3 Derbyshire Dales District Council is the Accountable Body for Ashbourne Reborn. This means that, although the programme is being delivered by other delivery partners (principally Ashbourne Methodist Church and DCC), the Council has full and sole responsibility for, inter alia:

- all financial matters (including paying delivery partners and claiming funding from the Government to cover such payments).
- all procurement matters (including appointment, contracts and purchases made by delivery partners).
- ensuring all outputs and outcomes are achieved on time and to budget.
- discharging this accountability by monitoring, assuring, reporting and auditing to the Government's satisfaction.

12.4 Ashbourne Reborn has been the subject of public reports and resolutions at the Community and Environment Committee on 1 November 2022, 29 June 2022, 6 April 2022, and 23 February 2022. On 27 July 2023 the Council approved revised governance arrangements for Ashbourne Reborn, with increased Member involvement from the District Council, as well as other partner bodies. The Levelling Up Fund remains Government policy.

12.5 It has previously been reported that a Communications and Engagement strategy had been established and would require proactive communications throughout the span of the programme. Over the summer it has become increasingly clear that there is a need to commence proactive communication activity to:

- Prepare continuous, proactive messaging in respect of forthcoming activity and linked stories.
- Publish a weekly/fortnightly newsletter (pdf and paper for noticeboards via Ashbourne Town Team, Ashbourne Town Council, Ashbourne Methodist Church etc.)
- Publish a weekly press release to provide media organisations with opportunities to draft content for the publications.
- Generating content (following up on leads from the Programme Manager/partners, not waiting for content to come).

12.6 To date this work has been delivered by the existing Communications and Marketing Team, with high quality and timely content being produced. The aspiration is for the high standard of communications and marketing to be maintained for the lifetime of the project. After reviewing known future challenges and issues for the Council that will require direct management or involvement from Communications and Marketing, it is considered that the establishment of an additional Communications Officer post would

ensure that all corporate priorities can be met and the expectations associated with the programme can also be delivered.

- 12.7 The proposal is to establish a Communications Officer post (Grade 8 as per the existing Communications Officer post) for a fixed period of two-years. This approach will provide an increased level of resource to ensure that proactive communications activity on Ashbourne Reborn is delivered to meet expectations of all stakeholders. It will also increase the capacity of the Communications and Marketing Team at a time where there will be additional pressures arising from anticipated changes in service delivery for key frontline services and increased expectations from the new administration.
- 12.8 The cost of this temporary post (subject to Job Evaluation) is estimated at £10,000 including oncosts. If approved, the revenue cost will require a supplementary revenue budget of £10,000, to be financed from the General Reserve.
- 12.9 It is recognised that it will take time to recruit to this position but the need for proactive communications is immediate. Aecom, who are working on Ashbourne Reborn through Derbyshire County Council, have offered to provide an interim solution which officers consider to be acceptable in the short term at a cost of £5,500 - £6,000. It is recommended that this offer be accepted and that the cost be funded from the General Reserve.

#### Data Protection and Information Governance

- 12.10 As recent incidents involving the Police Service of Northern Ireland and the Electoral Commission have demonstrated, having confidence in arrangements for data protection forms a crucial element of the Council's overall corporate governance. The authority has recognised for a number of years that its approach to data protection and information resources required some improvements following audits in recent years, which reiterated the need to review processes and to deliver training to staff and Members on data protection.
- 12.11 One of the challenges faced by the authority has been in assessing the level and type of resource required. In 2021 a fixed term Information Governance Officer post was established to work with, and provide support to, the then permanent Information Governance Officer to deliver against the recommendations from the internal audits. However, the permanent post-holder resigned from the authority in the summer of 2021 and this has caused further delay in the implementation of the corporate training required. The challenges faced in recruitment to specialist posts such as these prompted initial conversations with neighbouring authorities in 2021/22 about the potential for working together and sharing resources, but with changes in personnel in some authorities and/or no willingness to work jointly, those discussions did not result in resolving the issue.
- 12.12 In December 2022, the Director of Corporate and Customer Services (who is also the Council's designated Data Protection Officer) commissioned an external audit of the authority's arrangements for data protection was commissioned earlier this year to assess performance and governance against



the Information Commissioner's Accountability Tracker. This audit was completed in March 2023 and identified that there was a pressing need to review and update policies, create more resilience through designated champions within service departments and roll out training for all staff on the updated policy framework. In the absence of a data protection specialist and recognising the need to move quickly to address the issues identified over a number of years, it is recommended that the Council commission external support for the re-writing of policies to reflect best practice from the sector and for the delivery of training. This will provide greater reassurance to Members and the Corporate Leadership Team that there is clarity of understanding of the law, policy position and practical processes that the organisation needs to follow in demonstrating that it is meeting its obligations as a public authority. The cost of this work is estimated at up to £10,000. If approved, the revenue cost will require a supplementary revenue budget of £10,000 to be financed from the General Reserve.

- 12.13 With the new Director of Corporate and Customer Services due to commence in post on 6th November 2023, there will be a renewed opportunity to commence discussions with neighbouring authorities to revisit the potential of establishing joint working arrangements in respect of data protection. The anticipated benefits of this approach would be akin to the arrangements in place for Internal Audit, which is headed up by a post operating across a number of authorities in Derbyshire, as well as creating increased resilience and standardising practice across local authorities, all competing for the same potential candidates in recruitment exercises. The Governance and Resources Committee will continue to receive updates on the progress made in respect of improvements to be delivered on data protection.

#### Out of Hours Stand-By Duty Roster

- 12.14 The District Council does not operate as a 24/7 organisation. However, there are occasions whereby a number of services need to be provided out of hours (excluding civil emergencies) where officers need to attend sites/premises to deal with specific emergency situations, most notably in relation to Clean and Green services.
- 12.15 Historically, this work has been based upon the goodwill of officers and without remuneration. Whilst there is a significant amount of goodwill throughout the organisation with officers regularly working above and beyond out of hours in the interests of the council, there is no resilience in such situations. Furthermore, the Council should not be reliant upon goodwill to ensure the delivery of a service that is needed.
- 12.16 In order to address this situation, a scheme has been devised and benchmarked by Human Resources, which proposes a daily duty payment for the limited circumstances in which this would apply. If approved, the revenue cost will require a supplementary revenue budget of £5,000 to be financed from the General Reserve.

#### Asset Valuations

12.17 As mentioned in paragraph 2.5, there are capacity pinch points within the Finance and Estates & Facilities teams. Both of these teams are impacted by the statutory requirement to value property, plant and equipment annually in accordance with CIPFA regulations, in order to inform the Council's year end accounts. The valuations are undertaken by the Estates and Facilities Officer on the instruction of the Director of Resources. The valuations have become increasingly complex over time and the audit review into the figures produced has also grown significantly, resulting in a workload that is no longer sustainable within existing resources. Due to issues of capacity which impacts upon the deliver of other Estates and Facilities projects and priorities, it is recommended that this specific workload is outsourced and a supplementary budget estimate of £30,000 is provided to facilitate this action.

### 13 Options Considered and Recommended Proposal

The report outlines a series of options, all of which will have an impact upon the Council's ability to recruit and retain staff of the calibre required. Whilst the alternative option would be to do nothing, this would not address the issues highlighted in the report.

### 14 Consultation

14.1 Corporate Leadership Team (CLT) and HR Manager has been engaged in the development of these proposals.

### 15 Timetable for Implementation

15.1 Subject to the approval of the above recommendations, the work will commence immediately.

### 16 Policy Implications

16.1 An effective organisational structure that is appropriately resourced and aligned to the delivery of the Council's priorities helps to deliver the Council's ambitions and plans for the District as a whole.

### 17 Financial and Resource Implications

17.1 Financial Resources have been addressed in section 11 of this report.

17.2 The table below sets out the financial implications where this report requests approval of supplementary revenue budgets.

	<b>Supplementary Revenue Budget Requested for 2023/34</b>	<b>Add to MTFP for 2024/25</b>	<b>Add to MTFP for 2025/26</b>	<b>Total</b>
Licensing Manager Recruitment	19,923	-	-	<b>19,923</b>
	11,000	44,000	33,000	<b>88,000</b>

Communications Resource for Ashbourne Reborn: New Post				
Communications Resource for Ashbourne Reborn: Appointment of Aecom	10,000	-	-	<b>10,000</b>
External support for data protection	10,000	-	-	<b>10,000</b>
Out-of-hours duty roster	5,000	-	-	<b>5,000</b>
Outsourcing asset valuations for financial statements	30,000	30,000	30,000	<b>90,000</b>
<b>Total</b>	<b>85,923</b>	<b>74,000</b>	<b>63,000</b>	<b>222,923</b>

If approved, the proposed changes will require supplementary revenue budgets in 2023/24 totalling £85,923 to be financed from the General Reserve. A total of £137,000 will be required to implement the proposed changes in financial years 2024/25 and 2025/26 and this would be reflected in the Medium-Term Financial Plan. As shown in the Revenue Budget Monitoring Report elsewhere on the agenda for this meeting, the General Reserve is currently forecast to have an uncommitted balance of £4.365m at 31 March 2024. Therefore, the financial risk arising from this report's recommendations is assessed as low.

- 17.3 When Members' views are known in respect of the options set out in section 10 of the report, further work will be undertaken to estimate the associated costs. If necessary, a report will be brought to a future Council meeting to identify the financial implications and to seek approval for Supplementary Revenue Budgets. These Supplementary Revenue Budgets would be financed from the re-designated 'Recruitment and Retention Reserve', subject to Members' approval of that change and the reserve having a sufficient balance.

## **18 Legal Advice and Implications**

- 18.1 This report discusses a series of issues relating to organisational resilience, resources and priorities and outlines potential options for members to consider.
- 18.2 The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff.
- 18.3 There are 9 recommendations contained within this report. The legal risk associated with taking the decision as recommended has been assessed as low.

## **19 Equalities Implications**

- 19.1 There are no specific equalities or diversity issues associated with this report. The council is committed to fulfilling its obligations under the Equality

Act 2010, including the Public Sector Equality Duty (Section 149). This duty includes a general duty and specific duties. The general duty requires public bodies to have 'due regard' to the need to:

- eliminate unlawful discrimination, harassment and victimisation and conduct prohibited by the Act,
- advance equality of opportunity between people from different groups; and
- foster good relations between people from different groups.

## **20 Climate Change Implications**

20.1 A climate change impact assessment is not necessary in respect of the recommendations in this report.

## **21. Risk Management**

21.1 The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff. Implementation of the proposals outlined within this report, will seek to ensure that the District Council is better able to manage future risks around organisational resilience, resources and priorities. If implemented, the strategic risk is assessed as low.

### **Report Authorisation**

Approvals obtained from:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	20/09/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	20/09/2023
Monitoring Officer (or Legal Services Manager)	Kerry France	20/09/2023