



**OPEN REPORT**  
**GOVERNANCE & RESOURCES COMMITTEE**

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**Governance & Resources Committee 2 November 2023**

**SUCCESSION PLANNING**

**Report Author and Contact Details**

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**Report Summary**

We are facing recruitment difficulty in a competitive employment market. In addition, we have several potential retirements in singleton posts. It is therefore appropriate to consider a Succession Planning Policy. A draft was considered at Corporate Leadership Team before going to consultation at Employee Group and Joint Consultative Group.

**Recommendation**

1. That the proposed Succession Planning policy be adopted.

**List of Appendices**

Appendix 1 : Succession Planning Policy.

**Background Papers**

Not applicable

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

No

**Council Approval Required**

No

**Exempt from Press or Public**

No

# SUCCESSION PLANNING

## 1. Background

- 1.1 In 2013 Corporate Leadership Team (CLT) supported development of a Succession Planning Policy. Senior Management Team (SMT) were consulted given the additional responsibilities senior managers would have for implementing development identified through Succession Planning. SMT felt that, given the budget challenges at that time, we had insufficient budget to develop employees and significantly that we could not predict the future organisation needs/ size to be able to invest in Succession Planning. The proposal was therefore 'mothballed.'

## 2. Key Issues

- 2.1 Since the pandemic we have seen increasing turnover of staff (c18% in 21/22 and 18% in 22/23 compared with 11% in 2020/21). In addition, we are experiencing proven difficulty to recruit in some key posts. Given the size of the organisation some of these key posts are singleton posts i.e., with one post holder. There would be a significant impact on service delivery and on workloads in other posts if these posts remain vacant for any length of time.
- 2.2 Our solution has been 3-fold:
- a) To cover vacancies with expensive agency workers, sometimes for significant periods of time as we have had consistent recruitment difficulty over many months e.g., in Resources costing £243,430 in 21/22
  - b) Where there has been proven difficulty to recruit (at least 2 unsuccessful campaigns), we have tried to recruit with 'welcome payments' of £2000 (repayable if the new recruit leaves within 2 years). This has enabled successful recruitment to 2 posts. However, some existing staff felt that their loyalty was not recognised.
  - c) We have increased the number of posts with 'market supplements' to 11 in total (3 in Legal Services, 5 in Resources and 3 in Clean & Green). Most pay a supplement at 9% but 2 had to go to the maximum of 15% given ongoing difficulty to recruit. Under the 'Green Book' (Local Government Terms and Conditions of Employment), market supplements require regular reviews of to ensure they remain justified. There could be issues when we reduce or cease the supplement when market conditions change.
- 2.3 The local government pay award in 2021 recognised nationally that there are skills shortages in certain professions including finance and legal and mechanics. This made the recruitment market is very competitive across local government and against the private sector.
- 2.4 A Succession Planning Policy is also required as our annual equality report confirms that we are an ageing workforce. 34% of staff are aged over 55, an age where staff can consider Flexible Retirement taking their pension accrued at the date of Flexible Retirement. Normal retirement in the Local Government Pension Scheme now matches State Retirement Age. Retirement before that age gives a significant actuarial reduction in the

pension benefits as the pension is drawn early and paid for longer. For example, an employee retiring at age 60 i.e., 6 years before their state pension age would suffer a 24.3% reduction in their pension benefits. Retiring at 65 when their state retirement age is 66 would incur at 4.9% reduction.

- 2.5 Even though the state retirement age has moved to 66+ we will face the retirement of long serving, skilled and knowledgeable colleagues when they choose to retire over the next decade. As we are a relatively small District Council, many of these colleagues are in 'singleton posts' and would give a significant loss of knowledge if they retired without a potential successor. In addition, service delivery could be severely affected if we are unable to recruit to these posts at first attempt.

**Organisation age profile as published in the annual Equality Report:**

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%

- 2.6 Succession Planning is also a powerful retention tool in that those being developed are likely to feel valued and see future opportunities with the District Council (or elsewhere in local government).
- 2.7 The draft policy recognises that all employees have a personal development review (PDR) between January and March. Indeed in 2023, 97.3% of employees had a PDR. Through the PDR, employee can have a personal development plan to enable personal development in their current and for future roles. If training requiring budget is identified, this is considered by CLT and budgets allocated in June each year.
- 2.8 The draft Succession Planning Policy proposes that CLT consider a corporate succession plan in June each year. It is based on identifying risk to service delivery if posts were vacant for any length of time through

resignation or retirement, especially singleton posts. Once such posts are identified, employees interested and capable for development as potential successors can be sought through discussion with line managers in the PDRs. Their skills gaps would then be identified, and development plans put in place.

- 2.9 It is important to note that for reasons of fairness and equality the draft policy confirms that successors are not guaranteed to be appointed. Succession is about providing development opportunities so that staff “can become the best candidate they can be” for normal competitive recruitment (in accordance with our Recruitment, Interview and Selection Procedures) when a vacancy occurs.

### **3. Options Considered and Recommended Proposal**

- 3.1 To consider adopting the proposed Succession Planning Policy.
- 3.2 To consider if the draft at appendix 1 is suitable.

### **4. Consultation**

- 4.1 Employee consultation has been undertaken through Employee Group. At Joint Consultative Group on 26 September, Members and trade unions and staff representatives were consulted.
- 4.2 JCG recommended that Governance and Resources Committee adopt the proposed policy.

### **5. Timetable for Implementation**

8 August	First consideration at CLT
17 August	All staff consultation via email and Employee Group.
26 September	Consultation at JCG.
3 October	Final consideration at CLT.
2 November	Governance and Resources Committee consideration to adopt the draft policy as an employment policy.

### **6. Policy Implications**

- 6.1 The proposal is for a new employment policy.

### **7. Financial and Resource Implications**

- 7.1 If approved at Governance & Resources Committee Human Resources will launch the policy to all staff.
- 7.2 Finance is required to invest in development through succession planning. There is potential for establishment of a Staff Development Reserve to be used over time.

### **8. Legal Advice and Implications**

- 8.1 It is within employment policy to have succession plans. The legal risk associated with this report is low.

8.2 Data protection is required of any sensitive personal data and that only those who need to know are party to the detail of the corporate and any individual succession plans.

## **9. Equalities Implications**

9.1 The policy covers the importance of equality of opportunity in deciding which employees are identified for succession planning but also that succession planning is about ensuring development so that employees can be 'the best candidate they can be' at the point a vacancy occurs and is appointed through competitive recruitment.

9.2 An Equality Impact assessment has been completed and is supported by the Policy Officer- Consultation and Equalities.

## **10. Climate Change Implications**

10.1 None

## **11. Risk Management**

11.1 There is a risk to not undertaking corporate succession planning; that we endure vacancies and additional costs. There is a risk to equality if we do not have competitive recruitment.

### **Report Authorisation**

Approvals obtained from: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	29/09/2023
Director of Resources/ S.151 Officer (Or Financial Services Manager)	Karen Henriksen	29/09/2023
Monitoring Officer (Or Legal Services Manager)	Kerry France	29/09/2023