

**SURREY COUNTY COUNCIL****CABINET****DATE: 31 JANUARY 2023****REPORT OF CABINET MEMBER: TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES****SUBJECT: SURREY COUNTY COUNCIL PEOPLE STRATEGY 2023-2028****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES****Purpose of the Report:**

This report sets out the council's new draft People Strategy 2023-2028. The strategy outlines how we will develop our workforce and be better equipped to address recruitment and retention issues: seeking to ensure that all staff have access to career pathways and development opportunities, to keep the right staff with the right skills to continue delivering outstanding services to residents.

The report also sets out how the strategic context for the council and our workforce has changed and the key factors we need to respond to now, to deliver the workforce needed for the future. In addition, it outlines how the strategy will be brought to life using strategic workforce planning, and the plan for engaging with staff to deliver the commitments in the strategy. An ambitious People Strategy is critical to enable the council to deliver its ambitions outlined in the refreshed Organisation Strategy also being considered by the Cabinet.

**Recommendations:**

It is recommended that the Cabinet:

1. Endorses the direction of travel for the Surrey County Council People Strategy 2023-2028

**Reason for Recommendations:**

The council's workforce is crucial to delivering the Organisation Strategy for the benefit of Surrey residents and to ensure no one is left behind. Approximately 36% of the council's budget is spent on staffing so it is vital this money is spent wisely on a workforce that performs to its full potential and is inclusive of the communities the council represents. The People Strategy sets out the outcomes needed to deliver this and ensure that outstanding services can continue to be delivered to residents, particularly those who are most vulnerable, in the context of significant financial challenges. It is recommended that the Cabinet endorses the draft People Strategy, in the context of setting the 2023/24 budget and agreeing the Medium Term Financial Strategy. Further work will then be undertaken to finalise the People Strategy and develop a delivery plan setting out the specific actions needed to deliver the four people outcomes and how we will measure our progress.

## Executive Summary:

### Background

1. The council's workforce is crucial to deliver its ambition for no one left behind in the county. Approximately 36% of the council's budget is spent on its workforce so there is also a financial imperative to make sure that staff can perform to their full potential and that a high performing workforce is developed. It is also critical as part of the council's equality, diversity and inclusion plan that our workforce is inclusive and represents the communities served by the council.
2. The context within which the council operates is rapidly changing with significant impacts for the council's workforce from factors such as the rising cost of living, a period of national political uncertainty and the recovery from covid-19, which has changed the factors that attract people to roles and organisations and make them want to stay.
3. The response to the covid-19 pandemic has brought about some positive workforce developments such as an increase in people working remotely and more flexibly, using greater technology to transform the way people work. However, this and a national pattern of people choosing to leave employment has caused some workforce challenges, such as a more competitive recruitment market as well as new legislation due to come into effect making the right to ask for flexible working to be possible from the first day of employment. Remote working also presents some real challenges in terms of wellbeing and team cohesion. This is one example of the changing work environment that the People Strategy needs to respond to. Further information about the changing context the strategy needs to address can be found in annex 1.
4. A Workforce of the Future Strategy was agreed by the Corporate Leadership Team (CLT) and the People, Performance and Development Committee (PPDC) in 2021. This set out long term strategic ambitions to transform the council's workforce in a rapidly changing environment. This acts as the foundations for the new People Strategy, which sets out how this will be achieved over the next 5 years.
5. The Cabinet will also be considering a refreshed Organisation Strategy for the same time period, which has been developed alongside the People Strategy. The people outcomes set out in the People Strategy form a key component of the 'Organisational Effectiveness' objectives in the Organisation Strategy, which outline what is needed to develop and maintain the organisation as a high performing council.

### **Surrey County Council People Strategy 2023-2028 (see Annex 2 for the full draft strategy)**

#### **Employee experience**

6. There are several tools used to understand the experience of staff at the council. Since January 2021, a pulse survey has been undertaken with 25% of staff each quarter to find out what they think about working at the council. The results of the pulse survey alongside an exit survey when people are leaving the council have been used in combination with data on recruitment and retention rates to inform the priorities for the People Strategy. A snapshot of the key findings on employee experience at the council is included in the People Strategy. Currently it is not

possible to directly compare the experience of those leaving the council with the pulse survey results however work is underway to provide a more complete and cohesive data picture across the employee lifecycle (joining SCC, working at SCC, learning and developing at SCC, reward at SCC and leaving SCC).

## Vision

7. The People Strategy sets out the council's vision for the workforce:

### **'Empowering our people to reach their full potential'**

By building a high performing workforce representative of the communities we serve, made up of people who have respect for one another, make a difference every day and are inspired by compassionate leaders and our values to deliver for the people of Surrey so *no one is left behind*.

8. This is in support of the ambitions in the Community Vision 2030 and the priority objectives within the Organisation Strategy 2023-2028.

## People outcomes

9. The People Strategy sets out four key outcomes for the workforce that will equip the council with the staff it needs now and in the future. It also outlines the key commitments that will be delivered over the next five years to make progress towards delivering the people outcomes, which are:

- Inclusive and compassionate: An inclusive and compassionate place where we value diversity and can be ourselves at work
- Collaborative and trusting: Enabling a collaborative and inviting place where we're empowered to be open, trust each other, and work as one
- Ambitious and outcomes focused: An ambitious and outcomes-focused place where we are passionate about our purpose and take accountability for delivering great results
- Inventive and dynamic: An inventive and dynamic place where we promote a learning mindset and adapt to new insights and opportunities

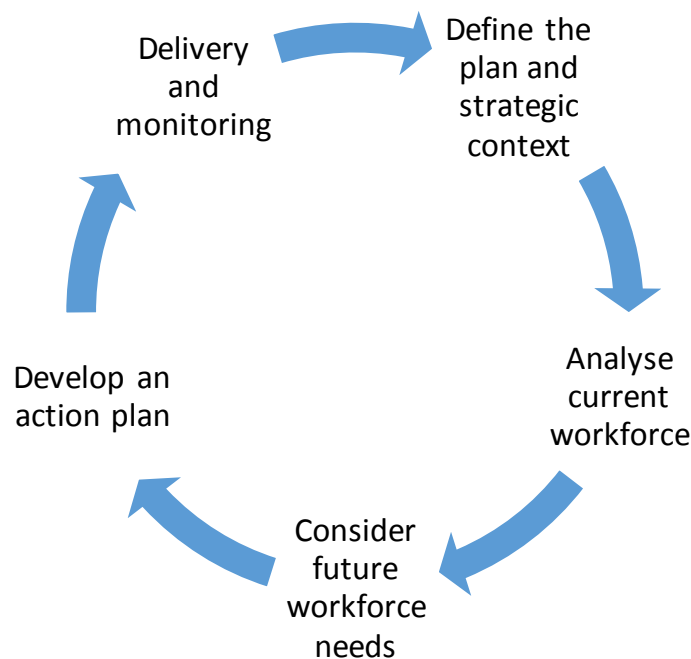
10. Significant engagement was undertaken with staff in 2020 and 2021 to understand the culture at the council currently and where improvements were needed. A culture working group made up of staff from across the council used this insight to develop four culture commitments which are now the people outcomes set out in the strategy.

11. These outcomes are crucial to delivering our workforce vision and will create a culture with the necessary conditions for all staff to thrive at the council. This will ensure everyone feels valued, staff are enabled to work together to deliver the council's priorities, are rewarded fairly for the work they do and are supported to be high performing. The people outcomes will strengthen our ability to recruit and retain the workforce we need to work in an agile way around problems and opportunities rather than operating in professional and structural boundaries. We need to take action to ensure the council remains an employer of choice in an increasingly competitive recruitment market, and the People Strategy focuses our workforce design and development on the areas that we know are most important to staff.

## Strategic Workforce Planning and performance

12. To successfully deliver the ambitions in the strategy, the council needs a robust workforce planning process to understand the workforce demand in the future and to identify the skills and supply necessary to meet that demand. Strategic workforce planning will be introduced across the council to embed the People Strategy, and plan workforce requirements at a directorate level. This will be part of the new integrated approach to business planning to make sure there is a single consistent process for planning how to deliver the council's priorities within budget constraints. This will make sure that workforce solutions can be considered alongside innovative technology to make sure the council is using its staff in the areas where they can have the most impact.

13. The Strategic Workforce Planning process will be as follows:



14. The People Strategy will make sure the conditions are in place for a high performing workforce. A key part of this will be supporting leaders, managers and staff to understand how they are performing against the outcomes the council is committed to delivering for residents and addressing any poor performance through a robust people performance management process to ensure everyone is delivering to a high standard.

## People and Change Service Offer

15. Delivery of the People Strategy will be the responsibility of the whole council, but the People and Change service will play a significant role in enabling implementation of the strategy. To achieve this, a new service offer for People and Change is being developed based on a standard employee lifecycle which focuses activity on the services that will best develop leaders, managers and staff so that they are able to deliver high quality and affordable services.

### **Consultation:**

16. Significant engagement with staff from across the council has taken place recently to understand the culture they would like to see at the council. The outcome of this engagement resulted in the four people outcomes that form the foundation of the People Strategy.
17. The People Strategy has also been shaped through engagement with CLT, the Workforce and Culture Board (including Elected Member representation), the Strategic and Integrated Planning Group (with representation from all directorates) and the entire People and Change service.
18. Further engagement activity is planned in 2023 to work with staff networks and Directorate Leadership Teams to develop workforce plans to underpin delivery of the strategy.

### **Risk Management and Implications:**

19. There are significant risks to the council of not having an effective workforce strategy, as this would impact the ability to continue delivering high quality services to residents. The operating context for the council is increasingly complex with a competitive employment market meaning developing and retaining staff is even more of a priority than previously.
20. The main risks relating to the People Strategy are around deliverability and ensuring alignment with other Surrey County Council cross cutting strategies and directorate workforce plans. This will be mitigated through strategic workforce planning being an integral component of business planning, and existing governance groups such as the Workforce and Culture Board, the Strategic and Integrated Planning Group and regular workforce CLT conversations overseeing delivering of the strategy.

### **Financial and Value for Money Implications:**

21. 36% of the council's budget is spent on staff so the People Strategy is a crucial component in delivering the Medium-Term Financial Strategy and the Organisation Strategy. Any budgetary implications identified through strategic workforce planning as part of the council's new integrated business planning and performance process, will be factored into the Medium Term Financial Strategy as part of future budget planning processes.

### **Section 151 Officer Commentary:**

22. Although significant progress has been made to improve the council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

23. Any budgetary implications identified through strategic workforce planning, as part of the council's new integrated business planning and performance process, will be factored into the Medium-Term Financial Strategy as part of future budget planning processes. As such, the Section 151 Officer supports the recommendations.

#### **Legal Implications – Monitoring Officer:**

24. The Council has wide powers to employ officers to deliver its responsibilities and objectives. The People Strategy is an integral part of the long-term workforce planning to ensure the Council meets its statutory duties and responsibilities to residents and to its workforce. There are no specific legal implications raised by the strategy.

#### **Equalities and Diversity:**

25. The People Strategy has equality, diversity and inclusion running as a theme through it with a particular focus in the 'inclusive and compassionate' people outcome. The strategy will underpin delivery of the equality objectives set out in the Organisation Strategy, most directly the objective to 'Deliver an ambitious work programme to strengthen the diversity of our workforce and move to a culture that values difference, where all staff feel they belong and have opportunities to succeed'. The People Strategy sets out the commitments to enable delivery of this equality objective.
26. The Cabinet will be reviewing a refreshed EDI action plan for the council in April 2023 and will be considering the broader strategy later in 2023 which will include further detail about the workforce EDI strategy.
27. The People Strategy will be embedded into delivery using strategic workforce planning within directorates. This process will include reviewing the equalities impact of specific proposals before they are included within the directorate workforce plans. Engagement with the council's staff networks will also take place early in 2023 to support this process.

#### **What Happens Next:**

28. If the Cabinet endorses the direction of travel for the People Strategy, then the next steps are:
- a. The roll out of strategic workforce planning to develop directorate workforce plans to underpin the strategy
  - b. Engagement with staff networks and other staff groups to include the recording and embedding of videos that bring the strategy to life
  - c. Development of a delivery plan for the People Strategy setting out how the outcomes will be delivered and measured
  - d. Design of the People Strategy and development of a one-page summary, alongside an online version embedded into the new intranet
  - e. The final People Strategy and delivery plan will be brought back to Cabinet as well as PPDC later in 2023 before these are published and communicated across the organisation.
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**Consulted:**

Corporate Leadership Team

Workforce and Culture Board (Elected Member and officer representation)

Directorate Leadership Teams

Strategic and Integrated Planning Group (cross council representation)

People and Change Service

**Annexes:**

- Annex 1 – Drivers for Change
  - Annex 2 – Surrey County Council People Strategy 2023-2028
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