

This Report will be made public on 5 July 2023



Report Number **P/23/01**

To: Personnel Committee
Date: 20 July 2023
Status: Non-executive Decision
Head of Paid Service: Dr Susan Priest

SUBJECT: REPORT OF THE HEAD OF THE PAID SERVICE

SUMMARY: This report is from the Chief Executive in relation to the adequacy of resources across the Council.

REASONS FOR RECOMMENDATIONS:
Personnel Committee is asked to note the contents of the report.

RECOMMENDATIONS:
1. To receive and note Report P/23/01.

1. INTRODUCTION

- 1.1 The Head of the Paid Service of the council is appointed under s3 of the Local Government and Housing Act 1989.
- 1.2 The council has a duty under that act to provide the Head of the Paid Service “with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties...to be performed” (s4(1)(b) of the Act).
- 1.3 It is therefore appropriate to formally report to the Council, via the Personnel Committee, on the adequacy of staff resources that the Council has provided to give assurances that they are sufficient to discharge the Head of Paid Service duties.

2. RESOURCES OF THE COUNCIL

- 2.1 The immediate day-to-day demands for high quality council services continue, with the focus of resource delivering the Corporate Plan. Welfare support to residents with increased cost of living pressures continues to be a high priority, as well as providing support for asylum seekers or to those settling in the district from Ukraine and Afghanistan. While resources are focused on the corporate plan, a change in administration and a worsening of the economic climate means that pressures to deliver things beyond those in the Plan remains high and this is not a sustainable position. As we set the budget for the coming years in the autumn members will be encouraged to focus resources on fewer priorities.
- 2.2 A mixed-model approach to resourcing continues, with an expectation that this trend will remain at least in the short term. This mixed-model uses a combination of permanent full and part-time staff, specialist advisors, for a specific task, fixed contracts largely in response to additional grant funding for a specific purpose, and specialist interims to fill a gap. This approach is widespread across the local authority network. The advantages of this mixed-model are that it provides greater flexibility in resourcing and the ability to source specific skills particularly when the labour market is tight. The downside is that the costs can be higher than an equivalent full-time permanent member of the establishment, but an overall balance has to be struck considering both the needs of the council and the prevailing labour market conditions.
- 2.3 Elements of particular note in the draw on council resources since the last annual report include:
 - i. **Climate change** – resources have been focused on deepening and progressing the council’s understanding and approach to the environment and climate change. A series of strategies and plans, supported with targeted projects, are now underway and the level of general awareness and depth of understanding of the subject matter continues to broaden across the council and through our communities. Being a trailblazer on significant pieces of work this year, e.g., the two phases of social housing decarbonisation project, allow us to not only improve the quality of housing for our tenants, but to learn from and amend our approach while sharing that

learning more broadly across the local authority network. Resources in this specialism continue to be scarce nationally and moves have been made to bring the available expertise from consultant contract to be part of the council's in-house team to strengthen capacity.

- ii. ***Delivering regeneration, housing and place-shaping projects*** – resource has focused on projects such as Coast Drive Beach Huts; Otterpool Park; Princes Parade; Folkestone Town Centre and the LU award; Ship Street; Mountfield Road; and the HRA capital programme. As a result of the significantly changed economic climate, many of these larger projects have necessitated a review and in some cases delivery routes have changed and the projects have been modified. The council is not alone is reconsidering and / or re-positioning projects and many other local authorities have done similar. The scale of cost and stubborn inflationary pressures has meant that intended plans and timescales have in some cases been reconsidered and re-phrased. It is important to note that those projects that have been changed do not necessarily release council resource, the capacity is deployed delivering the projects in a slightly different way, for example rather than directly delivering a development project staff may be involved in facilitating and enabling various delivery activities via others, etc. Keeping staff motivated and engaged during these changes has needed senior management focus and clear messaging for staff, councillors and residents.
- iii. ***Staff turnover & expertise*** - A number of senior and middle management posts have left the organisation this year and as the labour market remains tight recruitment challenges are expected to continue; gaps and shortages in some teams unfortunately continue to be a stubborn cause of concern. Staff movement between local authorities is also a worrying trend as is pay inflation as councils secure the most competent well-skilled and experienced officers. However, the council's HR team remains creative and continues to provide innovative suggestions to address the gaps and our in-house training & OD team continues to be well respected and valued by staff and by other East Kent councils that contract to use their services.

Of particular note is that the council's offer of hybrid working continues to be highly valued by staff and it has become a firm expectation by many of those seeking new roles. Our unique selling point (USP) used to be the offer of flexible working and post-covid, this has now become mainstream. So, our ability to remain flexible in the number of days per week in the office is used as a differentiating factor, i.e., we do not prescribe 2 or 3 days per week in preference for this being a matter for the relevant manager who is accountable for service quality and performance, while contributing to achieving the overall corporate objectives and enhancing / protecting the positive culture of the organisation.

- vi. ***Establishment*** - The revised MTFs position reported to Council last November provided the context for a deep analysis of the organisation which was undertaken between January and July by the Chief Executive, supported by a small core team of staff. Vacancies were held where possible to ease in-year budget pressures and the Taking Stock exercise has provided very rich and useful data which will be used as the council's financial pressures are considered and the budget strategy is formulated

throughout the autumn. It also provides data to allow more strategic workforce planning and longer-term succession management planning for individual teams and across the organisation more broadly. The use of apprenticeships continues to be valued, and senior colleagues and expert interims are also being asked to 'coach' the development of more junior members of staff that show the potential for development.

- v. **Local election** - This year has also seen the additional acute demands of running the local elections, with significant planning activities leading up to polling day and the count on 4th and 5th May. Over 300 staff were involved in managing the elections while the delivery of day-to-day services remained the focus for other colleagues. To support the new administration, a revamped induction programme has been prepared, and staff resources continue to be focused on supporting all members as they settle in to their roles.

3. THE FORWARD LOOK

- 3.1 Despite the persistent tough economic climate, and the vacant posts in some teams, the culture of the organisation remains positive, and efforts continue to protect the supportive environment we have created. Staff surveys have continued throughout the year providing useful and rich intelligence on morale and associated staffing matters; the Chief HR Officer's report to committee gives far more detail on this and other related matters. In addition, teams have settled well in working periodically from the civic centre to ensure cross team and within team relationships remain strong. As mentioned earlier, hybrid working has become not only a normal part of the work rhythm at the council, but a key point in attracting and retaining staff to work for the authority. Our resource base now covers a wider geographic area, facilitated by remote working.
- 3.2 There are however strains on certain teams and posts, which are a cause for concern, and these will continue to be supported by the senior team. For example:
 - a. The council's unreasonably persistent complaining behaviour policy continues to be applied in a number of cases. The personal impact of persistent questioning and complaining is damaging, stressful for those dealing with the matters, and contributes to the fragility of certain teams within the council. There is a relentless expectation that access to information should be provided and a balance needs to be struck that addresses matters of transparency while allowing council staff to progress matters efficiently. The Chief Executive continues to take her duty of care to staff and members extremely seriously and she will not hesitate to act as the need arises.
 - b. The tight labour market means that the council has pockets of vulnerability from staff that are deemed to be a high risk of flight. These are generally in teams carrying vacancies where there is a national shortage of skills, and with those under exceptional scrutiny and high work pressures. A targeted and individual approach to those at risk of flight is taken and tools such as

retention payments, training contracts and market supplements are available for the Chief Executive to use.

- c. With an ageing workforce in some teams, coupled with recruitment difficulties in those teams, succession management remains a focus of attention and trainee opportunities to 'grow our own' continue to be supported. Strong relationships continue with local schools and a variety of activities are taking place to highlight opportunities and to encourage local school-leavers to join the council. Opportunities to highlight the various skills shortages to government colleagues remains a key lobbying point and work with the local authority network is seeking to address the matter; the Local Government Association (LGA) and District Council Network (DCN) are both actively campaigning for further entry and development opportunities to be supported.
 - d. Demands remain high on the Development Management team to progress not only the volume of planning applications, but also to address enforcement activities and to progress the significant planning applications related to Otterpool Park. There is a shortage of planning capacity across the public sector and inter-authority moves are common place resulting in significant pay inflation in some posts. The use of contracted consultants to provide the much needed capacity is likely to continue.
 - e. In the autumn decisions will be made with the executive to *right-size* the establishment. While front-line service will be protected as far as possible, the largest single ongoing financial demand relates to staffing costs. In the last year the number of Chief Officer posts has been reduced, spans of management control widened, and further work is taking place to increase the numbers within line management groupings to reduce, where possible, overall management costs. The number of tiers across the organisation will also be considered to ensure the establishment is leaner and has a lower ongoing cost base. This may necessitate further automation and self-serve using IT systems to allow the more expensive staff resource to be deployed to help those residents in most need of additional support. As these matters are considered further, and if a major restructuring programme is needed to give efficiencies, Personnel Committee will be advised further.
- 3.3 In summary, while there is a challenging agenda and a number of unknowns remain such as understanding the full impacts of new legislation in the Environment Act, or reprocurring key service contracts such as Parking Enforcement, the council's staffing resource base will continue to be dynamic but it will need to reduce. The senior team is working hard to explore all opportunities and to ensure that unnecessary cost pressures on the General Fund and HRA are avoided and that available resource is used most efficiently and effectively.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (AK)

There are no direct legal implications arising directly out of this report.

4.2 Finance Officer's Comments (BT)

There are no direct financial implications arising directly from this report. In terms of the resourcing pressures outlined within the paper and the impact these may have upon the MTFS and the immediate budget, these are separate factors and will be reported to relevant committees of the council as appropriate. Many of the pressures highlighted above will also factor in the budget process for 2024/25 which will be reported to both Cabinet and Council throughout the budget cycle. The council's MTFS will also be updated for these factors where costs may have an impact over future financial years.

4.3 Diversities and Equalities Implications (ASm)

There are no specific Diversities and Equalities Implications arising from this report.

5. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

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The following background documents have been relied upon in the preparation of this report:

None