



PART A: MATTERS DEALT WITH UNDER DELEGATED POWERS

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 25 JULY 2019

**REPORT OF THE: CHIEF EXECUTIVE
STACEY BURLET**

**TITLE OF REPORT: HEAD OF PAID SERVICE UPDATE - ORGANISATIONAL
DEVELOPMENT & STAFFING**

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report updates Committee Members on matters relating to staffing and organisational development.

2.0 RECOMMENDATION(S)

2.1 It is recommended that the Committee notes the contents of this update report.

3.0 REASON FOR RECOMMENDATION(S)

3.1 To ensure openness and transparency on progress relating to staffing matters and organisational development.

3.2 Ryedale District Council's workforce is its most valuable asset. The Council is aiming to be an employer of choice and recruit and retain motivated, skilled and experienced staff who are advocates for the organisation and the area.

3.3 The organisation has faced a series of challenges over the last 5 years regarding staffing and organisational development matters. Independent appraisals of the Council have drawn attention to the need to urgently address some of these challenges through visibly demonstrating that staff are valued, strengthening internal communications, improving working relationships between Elected Members and Officers and ensuring there are plans and resources in place to deliver against strategic and operational goals. Members can refer to the findings of the 2018 Peer Review Challenge Revisit and the 2019 LGA Communications Health Check for further detail.

3.4 The organisation has been drawing a number of historical matters to conclusion. This includes ensuring that its investigations into bullying and intimidating behaviour are

concluded and taking any appropriate action in line with its zero tolerance approach.

- 3.5 Since being in post, the current CX has invested additional resources and time in staffing capacity, organisational development and internal communications matters. This is considered essential for rebuilding relationships with employees and also for ensuring that the Council can deliver against its priorities efficiently and effectively.

4.0 SIGNIFICANT RISKS

- 4.1 It is essential that there is continued focus in this area to drive forward the progress which has started. This will involve investment, reorganisation and cultural change. A demotivated, unhappy and dislocated workforce would be an unacceptable state of affairs and result in reputational and financial risk for the organisation.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The vast majority of employment-related policies and procedures are significantly out dated at Ryedale District Council. They are in the process of review, with consultation due to take place over the summer period. The aim is to have new live operational policies in place during autumn 2019.
- 5.2 A variety of meetings now take place within the Council to ensure that appropriate consultation occurs around HR and staffing matters. This includes monthly staff sessions involving members of the senior management team, which all staff are invited to attend and contribute to. The sessions cover a variety of subject areas.
- 5.3 Operationally focused monthly meetings take place between HR and Unison (local branch). Bespoke meetings are also taking place at this time with regards to negotiations on employee terms and conditions. In addition to this, the CX and Head of HR meet with local and regional representatives of Unison every 2 months or when issues need to be escalated for resolution.
- 5.4 The CX and the DCX operate an open door policy where any member of staff can 'drop in', email or phone directly to share ideas or seek resolution on an issue.

REPORT

6.0 REPORT DETAILS

- 6.1 A number of issues have been identified as requiring critical attention since the CX has been in post:
- Restructure – the need to put in place an appropriate structure to support the Council to achieve its immediate and longer term goals as the current operating model is not fit for purpose.
 - Resolving historical matters – this has included ensuring that the organisation concludes its investigations into bullying and intimidating behaviour taking any appropriate action in line with its zero tolerance approach.
 - Strengthening governance – reviewing the effectiveness of external delivery arrangements – which includes those covered by the Local Government Act and contract.
 - Compliance with statutory and legal expectations as an employer – reviewing and taking action to make sure that the Council is fully compliant in its policies and working practices.

- Organisational development – ensuring that tools such as training, learning and development, and a behaviours framework that is fit for purpose.
- Internal communications and engagement – significantly enhancing the Council's approach so that employees are well informed and have the information they need to do their job.
- Recruitment and retention – promoting the Council as an employer of choice through a variety of measures including ensuring that staff are paid at an appropriate level of basic pay in line with the level of responsibility of the post and the rates paid attract the skills and experience the organisation needs through reflecting competitive market value.

Restructure

- 6.2 The current structure of the Council is a hybrid. In 2017, a new operating model was implemented – many long-standing members of the workforce exited the organisation and most of the remaining staff entered into new roles at this time. The operating model and reporting lines have been changed on a number of occasions since its implementation, and new arrangements have been into place to deliver core functions.
- 6.3 Upon appointment, the CX reviewed the current structure. To do this, she accessed a range of material and asked staff, Unions and Elected Members for their views. It became clear that the operating model was not effective or efficient. As a consequence, the structure is being reviewed with reorganisation taking place and extra capacity added where needed.
- 6.4 Principles underpinning the restructure are as follows:
- A phased approach to organisational redesign is being taken to avoid too much stress being put on organisational resources at one time
 - Cost neutral as far as possible unless there is a demonstrable need for investment (e.g. there is evidence of consistent lack of performance, lack of internal expertise, non-delivery against Elected Member objectives)
 - Existing employees will have the opportunity to apply for vacancies first followed by external recruitment if required
 - Structural design and investment will ensure that statutory and legal expectations are achieved
 - Structural design and investment will be made in areas deemed as Council priorities once statutory and legal responsibilities are achieved
 - There will be opportunities for staff and trade unions to fully engage in the process through meaningful consultation.
 - Elected Member priorities – as articulated through the Council Plan – will shape the allocation of resources so that strategic objectives can be delivered upon. The Council Plan consultations will therefore be utilised to gather intelligence for use in structural redesign.
- 6.5 The first areas prioritised were: economic development, housing, governance and streetscene.

Economic Development and Housing

- 6.6 During and following the T2020 restructure, a number of changes occurred, resulting in the Head of Planning and Regulatory Services and the Head of Customer Services assuming split responsibility for these areas of the Council following the departure of the Economic Development lead (who only had responsibility for specific aspects of staffing for these areas). A number of issues were experienced as a consequence of this including a lack of capacity to deliver on two significant areas of Council business.
- 6.7 A Programme Director for this area was recruited and is currently on a 12 month contract. He is responsible for the Council's Economic Development and Housing portfolios.
- 6.8 Economic growth and housing capacity for the organisation is being increased to support the Council to achieve its goals in these areas.
- 6.9 Sustainable economic growth is recognised as one of the Council's key corporate priorities, but recently the Council has had minimal capacity to move this agenda forward (until very recently the Economic Development function comprised 0.3 FTE).
- 6.10 The Programme Director identified the need for five posts in this area (Principal Economic Development Officer, Senior Business Advisor, Tourism and Development Officer, Arts and Events Officer and a graduate trainee), with recruitment currently underway. It should be noted that a number of these posts were already established and vacant. The balance of increased cost associated with this area is being met by money generated through Business Rates – the Council's involvement in the Business Rate pool has resulted in increased revenue of approximately £321 per annum. Also there is an additional one off payment of £132k as a result of the Business Rate pilot.
- 6.11 The Council's housing service capacity will also expand so that it increases its ability to support access to housing locally, generates income to support the sustainability of the service and ensures that all staff working in this area have the skills and supervision they need to achieve this. To this end, a number of changes are being progressed. This includes the transfer into Housing and restructuring of Ryecare (telecare service), the transfer into housing of a number of posts currently situated within the generic customer services team, the appointment of an additional post to work on private sector housing issues (including licensing, energy efficiency and empty homes) and a graduate trainee. Consultation with employees and Unison on these matters is currently taking place.
- 6.12 In addition, as a result of successful external funding bids, two new twelve month posts have been created in Housing to deal with Rough Sleeper and Rapid Rehousing activities.
- 6.13 One post will also come into the team as a result of the transfer back in-house of the management of Tara Park gypsy and traveller site and 2.5FTE posts will come into the team as a result of the transfer in of Homeless Prevention responsibilities from North Yorkshire County Council.
- 6.14 The Section 151 Officer is satisfied that the increased costs associated with the graduate post, Private Sector Housing Officer position and additional Ryecare post are affordable as they involve the ability to generate income to support service sustainability and will ensure that the Council fully utilises housing related ring-fenced funding.

Governance and Finance

- 6.15 During and following the T2020 restructure, a number of changes occurred, resulting in the Chief Executive, Section 151 Officer, Deputy Chief Executive, Head of HR and Head of Customer Services assuming split responsibility for areas relating to governance of the Council. These areas include legal services, committee services, elections, FOIs, complaints, information governance, risk assessment, performance management, finance, audit and corporate and service planning. The consequence of this was a lack of corporate governance and oversight with resources being significantly under-utilised by the organisation.
- 6.16 The Council's Section 151 Officer will assume lead responsibility for this area moving forwards and is developing a structure to strengthen the Council's ability to meet its statutory, legal and constitutional responsibilities in these areas, as well as strengthening its ability to achieve its strategic goals. This action is not yet complete. Consultation is taking place and financial implications are still being determined so that any new structure makes best use of resources and addresses issues on capacity and performance which have been raised by Members, officers, external auditors and through the Health checks. It is clear however, that significant additional resources will need to be invested in this area moving forwards as the resources available have previously been cut back too far. At this time, the funding for arrangements and posts detailed at 6.18 and 6.19 are dependent on one off capacity funding (this is the £638k agreed by Elected Members during the 2019/20 budget). Sustained funding will be required moving forwards and the Section 151 Officer is looking at how this can be achieved.
- 6.17 Additional resource has already been invested in financial management and Section 151 capacity so that the organisation manages its resources effectively and can place a key focus on developing a commercial strategy and reviewing its capital programme over the next 12 months. Section 151 officer resource will increase support to 0.3FTE (from 0.2FTE) and an additional Accounting Technician will also be employed.
- 6.18 Two solicitors are also currently being recruited to undertake legal business for the Council and will act as Deputy Monitoring Officers.

Streetscene

- 6.19 Action has been taken to stabilise the Streetscene service as a consequence of reducing dependency on agency staff from 15 to 1.5 FTE during the latter half of 2018. This number will be reduced even further to zero in August with the award of a new contract (public conveniences).

Next steps – Restructure

- 6.20 The next wave of restructuring will focus on IT, Communications and Project Management / Business Transformation, Planning and Enforcement.
- 6.21 Communications, IT and Business Transformation / Project Management have been identified through the Health Check processes as requiring a strengthened approach. Currently, these areas sit under the Deputy Chief Executive within disparate teams. Team members also carry out other functions such as committee clerking. A Head of IT, Communications and Business Transformation is currently being recruited to lead this area of work.

- 6.22 Now that Economic Development and Housing have moved to a new area of responsibility, there is the opportunity to ensure that the planning service is fit for purpose and can also conduct the imminent review of the Local Plan effectively and efficiently. This will be a key priority over the next three months given that this is an area of significant concern to Elected Members, and the Council has had issues recruiting qualified planning staff. As an interim measure, two graduate trainees have been employed to support the work of this area and a number of staff are being supported to qualify in this area.
- 6.23 A dedicated time limited resource has been employed to carry out a review to bolster enforcement delivery and the capacity of the Council in this area. This will include looking at the roles both the Streetscene and Community Teams might play in this and how our policies and practices are currently working and need to change to be effective in this area. The review will also pick up the action relating to dog-related enforcement activity following agreement that this matter would be considered by the Policy and Resources Committee. An update report on the enforcement review will be presented to Committee in September 2019. A graduate trainee is supporting the enforcement review work.
- 6.24 Streetscene services will also be reviewed to ensure that the Council has the capacity in place to respond to the future demands of residents and the outcome of the DEFRA waste management consultation. A graduate trainee is being recruited to support this work.

Resolution of historical issues

- 6.25 A number of outstanding historical HR matters have required attention since the CX has been in post. Some have now been resolved, with appropriate reporting to Committee where required and recommendations actioned. This includes enhanced training for Elected Members undertaking specific Council roles (e.g. Recruitment and Selection).
- 6.26 The CX has also stated to all staff that bullying behaviours will not be tolerated and that a zero tolerance approach will be taken towards these behaviours. To underpin these words, a number of actions are also taking place:
- An internal communications campaign will be rolled out over the next few months so that staff feel more confident about identifying and reporting in this area.
 - The CX and Head of HR engage regularly with Unison to allow any issues raised directly with trade union officials to be filtered through and dealt with promptly and effectively.
 - Policies and procedures relating to this area are being updated to ensure they are fit for purpose for the organisation to move forward and that staff are aware of their content, how to access them and how to raise issues/concerns and with whom.
 - Mental health awareness and training has been sourced and will be rolled out as part of the Council's mandatory training programme for staff.
 - Exit interviews with all staff leaving Ryedale District Council will be conducted to ensure that where any concerns around unsuitable behaviours are cited issues are addressed.
 - Management and leadership development sessions are taking place on behaviours, healthy organisational cultures and organisational expectations. This includes political awareness training for officers.

Strengthening governance

6.27 In addition to contractual arrangements, the Council has secured the delivery of a number of services from three Councils under the Local Government Act provision and via contracts. These Councils are:

- Veritau (York City / NYCC) – which provide Ryedale’s asset management, internal audit, fraud and information governance function
- Scarborough, which provide our revenues, procurement and car parking enforcement services
- North Yorkshire, which provide our health and safety, risk management, human resources and organisational development, payroll and financial services.

York City /Veritau

6.28 The City of York and Veritau currently provide support in the following services:

- i. Asset Valuation (£4.5k) – this is a service provided by the City of York to value our fixed assets as part of the statutory accounts. The current agreement will be reviewed in time to take a view on how to proceed further once it runs out in March 2020.
- ii. Veritau (£91k) – this incorporates an internal audit, fraud prevention and information governance service. Veritau Ltd is co-owned by the City of York Council and North Yorkshire County Council. Regular client meetings are now held with Veritau, which involve the CX and the Section 151 Officer, to monitor and provide feedback on the service provided. Veritau also regularly report on progress to the Audit Committee (Overview and Scrutiny). This contract currently runs until March 2022.

Scarborough

6.29 Scarborough currently delivers the followings services:

- i. Off Street Parking Enforcement (£28k). This covers 8 carparks located in Malton, Pickering, Helmsley and Kirbymoorside and the servicing of the ticket display machine of which there are 17.
- ii. Processing of Housing Benefit and Council Tax Claims (£12k)
- iii. Northgate (revenues) ICT support (£17k)
- iv. Revenues Service (£112k) – Scarborough manage the processing of housing benefit and council tax claims, the management of the bespoke revenues Northgate ICT support system and the management and delivery of RDC’s revenues collection service. These areas are currently under review to ensure service delivery is fit for purpose and the arrangements represent best value.
- v. Procurement Service (£24k per annum for the external service, which is in addition to the cost of the in-house Commissioning function). This service is currently under review to ensure that it represents best value and following the dissolution of the previous partnership arrangement that was in place to govern this (this followed Selby’s decision to leave and take the service in house).

North Yorkshire

6.30 North Yorkshire County Council currently delivers a cluster of services via a collaboration agreement. This was signed in 2018 and is reviewed on an annual basis. The agreement states that North Yorkshire (NYCC) and Ryedale (RDC) Councils will investigate how they can collaborate in service delivery to the mutual benefit of both

organisations and the public they serve.

- 6.31 At this time NYCC mainly provides services to RDC but the opportunity for RDC to provide services to NYCC is also there. Already the CX works for NYCC one day a week as an Assistant Chief Executive and other opportunities will be made available where there is mutual benefit to both organisations and collectively for residents.
- 6.32 It was agreed that the closer integration of County and District services would have as its intended overarching outcome: “The most effective use of the joint resources of the two organisations in providing services to our shared client base.”
- 6.33 In delivering the intended outcome, closer collaboration would include the following elements:
- Increased resilience in service delivery by the sharing of resource and the development of expertise.
 - A more focussed delivery of services at a community level.
 - Sharing of back office services in an appropriate and sustainable manner.
 - A seamless delivery of front facing services using appropriate resources in a manner which does not require the recipient to determine whether the service is a District or County function.
- 6.34 The current cluster of services includes:
- i. Finance, including 0.3FTE to fund Ryedale’s Section 151 officer and Risk Management (£158k)
 - ii. Human Resources and OD, including a Head of Human Resources (£100k)
 - iii. Payroll (£17k)
 - iv. Workforce and Member Development (£44k)
 - v. Programmes and performance delivery advice and support (£6k)
 - vi. Health and Safety advisory services (£36k)
- 6.35 It should be noted that the organisation has been investigating the delivery of legal services through this route over the last 12 months. This review is in its final stages, with any decision dependent on a business case indicating best value.

Compliance with statutory and legal expectations as an employer

- 6.36 The HR and OD Healthcheck that was carried out in summer 2018 identified a number of issues requiring serious attention. These matters are being addressed in order of priority.

Organisational Development - People and Culture Plan

- 6.37 The People and Culture Plan is in its final stages of development and is designed to nurture and unleash the potential of our most valuable resource, the Council’s workforce. Staff have been involved in its development.
- 6.38 It will be launched in July alongside the new behaviours framework, with a review taking place annually to ensure it is consistent with our Council Plan and our key priorities.
- 6.39 The Plan includes reference to the Workplace Well-being Award. This award aims to promote a more productive and healthier place to work, by encouraging employers to

commit to improving the health and wellbeing of their workforce and by recognising those who have already made that commitment. It will help the Council to create a culture of health and wellbeing that aligns with our overall goals, enhancing our reputation, and making our organisation a great place to work.

- 6.40 Pre-assessment questionnaires for all staff are being co-ordinated by the Council's Health & Wellbeing Group. A number of staff members have come forward wishing to be involved and a number of suggestions of events have been received.
- 6.41 Another key milestone in the Plan is the roll out of 'Everybody Benefits' (an Employee Benefits platform). This is a web based site exclusively for council staff. It provides an online discount to a range of discounts and offers of a wide range of high street retailers, offers including certain percentage off saving and cash back there is also a range of local offers with north Yorkshire business and suppliers, in addition other salary sacrifice schemes provided by the council can be accessed through the council benefits sites. Final contracts are being signed by parties and the launch will take place in the next couple of months. It should be noted that local benefits will also be added to the platform from summer onwards as a means of supporting the local economy.
- 6.42 Ensuring all staff have access to professional support as well as a variety of tools and guidance including the Learning Zone which offers various learning programmes and helpful information is also a key milestone. A range of mandatory modules have been implemented to ensure statutory compliance for example, Health and Safety and Information Management.
- 6.43 A review of the current PROUD behaviours framework is also a key milestone. This is underway to ensure the organisation has a clearly defined and fit for purpose framework that staff are able to understand and importantly, relate to. This will be rolled out in July 2019.

Internal Communications and Engagement

- 6.44 Communications with staff has been strengthened. Monthly staff briefings will continue at Ryedale House on various topics, which employees request information about. This includes departmental restructures, employee benefits and workplace wellbeing.
- 6.45 Communications with staff at the Depot will vary in the future as there is a recognition that this staff group needs to be approached in a different way to capture as many staff as possible over the different shifts worked. A focus group of volunteers is being established in order to assess how best to do this.
- 6.46 Regular 'All Staff' emails are sent for messages which are outside of these timeframes to ensure that all staff understand what is happening within the organisation when key decisions/events occur. The CX has received positive feedback about these regular updates.

Recruitment and Retention

- 6.47 A number of challenges have been identified with the current pay, terms and conditions for staff and a review is underway, in consultation with the Unison, to ensure the Council has in place a fair and transparent set of pay arrangements.
- 6.48 The National Pay Award has been implemented, effective from April, and we are aiming to implement any revisions to terms and conditions in this financial year i.e.

2019/20.

- 6.49 As well as ensuring fairness and transparency, a key aim of the review is to enable the Council to attract and retain high quality staff. In this regard, we are working with colleagues from NYCC's Resourcing Solutions Team to ensure we are able to maximise the effectiveness of any recruitment activity and have already benefitted from this revised approach in terms of the level of interest in vacancies, the number of applicants but more importantly, also the successful appointment of good quality candidates across a range of disciplines.
- 6.50 It is also relevant to mention here that organisational restructure will need to be supported by a holistic job evaluation process. This is timetabled to be completed by April 2020, in line with the pay and allowances review currently undergoing trade union consultation. A departmental approach will be taken, focussing initially on areas of concern, such as Housing and Street Scene, having already completed the process for Economic Development with current recruitment to re-established posts being undertaken.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
New appointments to increase capacity have been made within existing budgets following the review of staffing as part of the 2019-20 budget process and allocation of additional capacity funding by the Council for 2019-20 and beyond. It is likely that further strengthening, for example in legal services, democratic services and corporate governance will require additional resources. However these will be fully costed and implications – including plans for meeting these costs from available budgets – will be considered before any proposals are finalised.
- b) Legal
It is essential that the organisation complies with employment law
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
Equalities, staffing and health and safety are all key aspects of staffing matters.

Author: Andrew Ellis, Head of HR
Anton Hodge, Section 151 Officer
Telephone No: 01653 600666 ext 201
E-Mail Address: Andrew.ellis@ryedale.gov.uk
Anton.Hodge@ryedale.gov.uk

Background Papers:
2018 LGA Peer Review Challenge Revisit Report
2019 LGA Communications Healthcheck

Background Papers are available for inspection at:
www.ryedale.gov.uk