Title of paper:	IAB instructions: Theme 6 Workforce, Culture & Performance Outcomes	
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Does this report contain any information that is exempt from publication? No	

Brief Summary
This report seeks to provide assurance on progress, benefit realisation, controls, associated risks, and management of Improvement and Assurance Board (IAB) instructions under Theme 6 'Workforce, Culture and Performance.'

Recommendation(s):	
1	To take assurance that progress has been made on Theme 6 'Workforce' of the Together for Nottingham (TfN) Plan and to note the plan is now to be replaced by the new Council Improvement Plan, to be approved with Commissioners in June/July.
2	To note the progress made on the specific 'Workforce' Instructions issued by the Improvement and Assurance Board (IAB) in February 2023.

1   Reasons for recommendations

1.1   The HR & EDI division supports the organisation in meeting its statutory and organisational obligations in relation to employee management and EDI. It plays a key role in supporting the development of organisational culture, improving employee engagement, and leading on employee wellbeing and learning and development and as such has been responsible for leading on much of the activity in theme 6, the Organisation and Culture workstream of the Together for Nottingham Plan.

1.2   This report seeks to provide assurances that both statutory and organisational requirements, including the requirements of the Together for Nottingham programme, are being met or progressed and monitored through the activity in the functions/areas described below.

2   Background

Progress and benefits against the TfN key deliverables

2.1   Following the Non-Statutory Review (NSR) of the council in late 2020, the Together for Nottingham Plan (Recovery and Improvement Plan) was developed as the organisation's response.

2.2   This plan was split into 8 themes, with 'Workforce' (theme 6) being one of them. The workforce workstream was designed to address identified issues with the organisation's 'culture' namely:

- Leadership and Accountability
- Governance and Decision Making
- Performance Management
- Risk Management

2.3   In order to address these issues and positively shift the culture of the organisation, a range of key deliverables formed part of the original plan:

- Culture Mapping Exercise – Current and Desired
- Simplifying the Officer Structure
- New Performance Appraisal
- Leadership Development Programme

For more details on previous work undertaken, please see also report to Audit Committee on 29.04.22, title 'Equality & HR Assurance.'

2.4 Culture Mapping Exercise – Current and Desired

- A culture mapping exercise was completed between Jan-March 2021.
- This included an online survey and focus groups using valid tools/methods.
- It provided the organisation and senior officers in particular with a series of findings around the perceived culture – positives and negatives, which could be used to positively shift behaviours.
- A range of interventions were designed to positively shift the culture and provided opportunities to monitor and measure progress through a series of indicators.
- The Staff Survey 2022 provided a good halfway point to provide insights and progress updates against workforce views and culture, with another planned in Autumn 2024.
- A further culture mapping exercise is currently underway to both measure progress and change from the original survey but also to provide a useful position statement for appointed Commissioners on our current organisational culture and what might need to change.

2.5 Simplifying the Officer Structure

- The top-level structure was reorganised in Autumn 2021, creating four directorates and a further 'core' enabling directorate added later.
- A decision-making accountability (DMA) exercise was conducted with support from the LGA which informed suggested realignments and reorganisations from division level down.
- Concurrently, SLMG colleagues were consulted with regarding the findings and proposed changes and new JDs issued which included the new NCC Behavioural Expectations.
- Further changes to the officer structure have been implemented in line with the Duties and Powers exercised used to support the balancing of the Councils Budget 2024/25, and more recently with the resignation of the Corporate Director for People's Services, creating the opportunity to split Adults and Children's into two.

- Further work is planned to review the organisational structure, including tiers and spans, to improve efficiencies and reduce costs.

2.6 New Performance Appraisal

- A new externally facilitated performance appraisal process was designed and implemented for the CEX. Over the last 2-3 years, the CEX has openly shared his experiences and some of his objectives to role model to others.
- A new leadership framework and suite of new behavioural expectations were consulted upon and implemented in 2021/22 and explained via training.
- A new approach to Individual Performance Reviews (IPR) was rolled out to the whole organisation in April 2022. Initial engagement and objective setting was positive.
- End of Year Reviews as part of the new design were due by end of March 2023 and the completion of these reviews took longer than it should. With high support and later in the year, high challenge, by October 2023, 92% of end of year reviews were completed.
- This is in line with other core cities; Leeds 94%, Newcastle 90%, Liverpool 81%.
- The completion of End of Year Reviews for 2023/24 has been much more positive as the process embeds into practice and becomes business as usual – with c.90% of reviews complete by the end of May 2024.
- Moving forward, the IPR approach should be key to driving good/high performance (identifying talent) as well as identifying underperformance to address. It will be key to drive the quality of the conversations and outcomes as we continue to improve.

2.7 Leadership Development Programme

- A significant leadership development programme was designed and delivered in house to over 600 people managers.
- The programme took 12 months for most to complete, and c.90% of managers fully completed by their expected deadline. This is now a rolling programme for new managers and part of managers induction.
- The programme was designed around the needs/issues highlighted in the NSR, from our own culture mapping and to embed the new leadership framework and expected behaviours.
- The evaluation of the programme produced strong initial results including:
  - the programme returned a high 'value' response from participants with the most frequent score being **4 (very valuable)** out of 5.
  - a high percentage, **71% of participants**, said their skills, knowledge and confidence had increased after attending programme workshops.
  - the programme offered **good value for money**, 'best value', when considering cost against quality/performance, costing £150pp.
- The longer-term impact is being monitored/measured.
- The culture re-assessment and staff survey both provide useful insights as to whether the programme has contributed to long lasting changes/improvements in leadership and management behaviour/practice.

2.8 IAB Instructions – February 2023

In February 2023, the IAB arrangements were strengthened, and new instructions were issued across all themes. For the workforce workstream these concentrated on the following areas:

- 6.1 Establish and maintain a trained, skilled, competent workforce accommodating fundamental cultural change
- 6.2 Establish, in full, Corporate Leadership underpinned by robust and focused performance management and accountability
- 6.3 Enforce strong discipline in identifying and acting upon under-performance
- 6.4 Ensure Best Value in delivering quality and cost-effective services is paramount in officer performance
- 6.8 Ensure the Council's new pay policy demonstrably assists effective recruitment and relation

Progress and benefits against the IAB Workforce Instructions

3.0 Establish and maintain a trained, skilled, competent workforce accommodating fundamental cultural change (6.1):

- Significant expansion of council's learning and development offer in the last two years with engagement and participation levels doubling in the same period. c.90% of managers completed a leadership development programme with a focus on leading, performing and delivering well.
- Strong evidence that creativity and innovation is improving, with new technologies being utilised to improve effectiveness and efficiency of practice supported by development programmes like the Change and Data Academies (3rd cohort to launch in December '23) and informal networks such as the Change Champions and volunteer service improvement champions 'Meerkats' in Customer Services identifying and implementing improvements.
- All colleagues understand the need for change and leaders have been educated in leading change. Development programmes continue to offer high support and high challenge to drive change/improvement, including targeted interventions in high need areas – running until at least September 2024.
- Service based development activity is supporting the delivery of transformation activity in People's services for the life of the transformation programme.
- Formalised hybrid working arrangements allow for necessary flexibility in use of 'estate' and flexibility for office-based roles is a positive for existing employees and attracting talent while also supporting more efficient ways of working.
- A further 'culture mapping' exercise will take place in 2024 to formally measure the shift in behaviour/culture and the progress made.
- Working with the Transformation Office / Change Academy to align support and development in the areas most in need.
- Nottingham Leadership Transformation Programme (NLTP) has seen x4 cohorts with c.90 participants, the Accelerated Development Programme (ADP) has seen x4 cohorts with c.60 participants and Reciprocal Mentoring (RM) x2 cohorts of c.20.
- SLMG Masterclasses continue, and Action Learning Sets and MBTI being utilised to support leaders' problem solve, plan, and deliver change.

3.1 Establish, in full, Corporate Leadership underpinned by robust and focused performance management and accountability:

- Every service has a Service Plan in place and work undertaken to develop a 'golden thread' from top level plans to individual objectives. Packaged together as part of the 'One Council' approach and work is on-going to develop and embed the outcomes and performance management framework link to the one council outcomes.
- Service and Divisional plans articulate the link to corporate outcomes and individual officer objectives ensuring a 'golden thread'.
- New Individual Performance Review (IPR) process rolled out across the whole council for the first time in 2022/23 focused on both service objectives and behaviours.
- IPR process seeks to address cynicism and tick box approach view of previous approach shared by managers and employees and has been received well with positive feedback from sample testing.
- 92% of End of Year Reviews completed in 2022/23 and c.90% completed in 2023/24.
- At a strategic level improvements have been made to governance, accountability and oversight through the Transformation Oversight Board and the Commercial Delivery Board ensuring appropriate focus on key components of the MTFP.

3.2 Enforce strong discipline in identifying and acting upon under-performance:

- Ensuring End of Year Reviews were completed in 2022/23 was challenging, particularly in some areas of the council and took longer than expected. However, year 2 has seen practice embedded into business as usual and a timelier level of completions, with c.90% complete by end of May 2024.
- Corporate Directors will hold managers in their directorates accountable for compliance supported by HR colleagues to ensure appropriate action is taken where non-compliance remains an issue.
- The performance management process is further supported by revisions to key HR policies including the code of conduct, capability, and performance and disciplinary, in consultation with the Trade Union colleagues. All revised policies are now live.
- HR Capability has been built to address and support under performance and regular conversations at Directorate Leadership teams supported by HR Business Leads are taking place.
- Guidance, briefings, and training for managers in relation to performance management started in July 2023 and the sessions have been well attended and feedback has been positive. These sessions are currently being used by managers with live issues for which they need immediate support and will continue to be delivered into 2024.
- Use of Performance Improvement Plans (PIPs) to address performance concerns early is being promoted/supported, and as from 25th September 2023, a mandatory field on Oracle will help HR more effectively monitor their usage and effectiveness.
- More performance management cases have been supported by HR colleagues' year to date than the last financial year.

3.3 Ensure Best Value in delivering quality and cost-effective services is paramount in officer performance:

- The Chief Executive has agreed and issued target objectives to Corporate Directors which incorporates the following objective, "*Adopting a 'One Council' approach, provide effective leadership support to colleague Corporate Directors and their teams to achieve optimal outcomes for the council and the city's citizens as a whole, through*

the lens of delivering on our Best Value duty", which will be cascaded through their teams.

- A Best Value eLearning module or face-to-face briefings have been completed by over 85% of the workforce which has improved awareness and understanding. Communications and guidance videos have aided.
- A Best Value Outcomes Performance Framework approach has been approved by CLT and is being cascaded to all services.
- Corporate and Service led BV reviews in progress with strong focus on performance management supported by peer challenge process and reformulation of the strategic core.
- We continue to see indications of willingness to work more effectively and efficiently, embracing new ways of working in how we provide services, acting on customer feedback and making improvements to the customer journey (evidence).
- There has been a significant improvement in relation to Contract Procedure Rules with a 50% reduction in exemptions being approved.
- Financial forecasting and management continues to be challenging, though the Finance Improvement Plan and Financial Accountability Framework includes ongoing guidance/training to improve manager financial literacy.

3.4 Ensure the Council's new pay policy demonstrably assists effective recruitment and relation:

- Additional pay increment as part of revised pay structure was paid to all employees in September and October 2023, additional increment for top three tiers of Council dependent on satisfactory performance
- A temporary resourcing programme team has been in place, with a focus on improved attraction and candidate experience, direct sourcing approaches, future talent, and the Corporate Employer Value Proposition, with employer branding to be developed and rolled out
- A suite of recruitment data is being scoped which will measure the impact of the above improvement activity and changes to pay.
- Work ongoing in specific areas including adults and children's social care, Highways, Housing Solutions, and IT.

4. Controls and Risks

4.1 There are 'controls' that can be utilised to affect culture change and which attempt to positively shift behaviours and culture in certain directions. That said, behavioural change can take time, usually with positive change taking much reinforcement, but negative change taking very little. In addition, a multitude of different factors and influences can affect behaviour and culture regardless of any controls that the organisation tries to leverage.

4.2 The controls and measure put in place to positively shift culture include:
- Leadership Framework and Behavioural Expectations
- New approach to IPR
- Training and Development
- New policies, procedures, and processes
- Communications and Manager Cascade (reinforcement)
- New ways of working, role modelling and coaching.

4.3   The monitoring and measuring techniques utilised have included:
- Culture Mapping
- Training and Development Evaluation and Impact Assessment
- Staff Survey and Focus Groups
- Case Studies and examples of good practice / positive change

In addition, more formal measures will be scrutinised such as:
- Staff Turnover
- Staff Sickness
- Numbers in Performance Measures and Numbers of Dismissals
- Employee Engagement (staff survey)
- IPR usage and ratings
- Vacancy data and time to hire data
- Decision Making (Constitutional Services)
- Councillor-Officer Relationships
- Risk Management
- Financial Management

4.4   The regular monitoring and reporting of progress to both CLT and the IAB has been a control in itself and ensured that all deliverables listed in the Together for Nottingham Plan under theme 6 have been successfully delivered. The IAB have regularly confirmed that the 'right interventions' have been delivered and delivered as expected.

It has always been transparent that delivering interventions and using control levers to shift culture takes time and that sustained behaviour change will only been observable and evidenced sometime after intervention.

5. Risks

5.1   Risks have been managed throughout the delivery of the Together for Nottingham Plan including,
- Specialist support unavailable within timescales to deliver requirements
- The plan and associated work has an adverse impact on morale and motivation
- Turnover and delays in recruitment
- Resistance to change and non-compliance
- Competing demands and priorities

5.2   The risks have been managed well in terms of delivering what has been promised and expected. All key deliverables have been implemented and progress and impact is now being monitored.

5.3   There have been good examples of resistance to change and non-compliance being pro-actively challenged, including the completion of IPR End of Year Reviews in 2023/23. In addition, 'management action' has been used across SLMG as required where engagement with change and transformation has not been as expected and required.

5.4   The pace of change/improvement has always been the overarching risk to all elements of the Together for Nottingham Plan, and this will continue to be a risk moving forward, see sec.4.4.

6. Conclusion & Ongoing Work

6.1 The original Together for Nottingham Plan spanning a 3-year period of intervention and proposed change is now complete, with the IAB arrangements ending and Commissioners being deployed.

6.2 All the deliverables associated with theme 6 'workforce' set out in the plan have been implemented as expected and as agreed with the IAB chair. Throughout the period regular meetings/discussions took place with the Chair of the Board and reports were provided as per forward plan and as requested. It was acknowledged on many occasions that change levers had been deployed and it was now up to the organisation, and particularly leaders within the organisation, to react, respond and own.

6.3 An identified risk and ongoing concern has always been the pace of change, and this remains the case. While new expectations can be set and communicated, training and development delivered, policies and infrastructure improved and put in place – the behaviour of people and the application of learning will take longer to fully embed across any large and complex organisation.

6.4 A new improvement plan (how we will change/improve) is in the process of being created which mirrors the exit plan (what we must do) produced by the Commissioners. The leadership and workforce elements of this plan will reflect the progress and ongoing risks outlined in this report, focusing on applying learning, embedding practice, and driving ongoing change and improvement.

7. Background papers other than published works or those disclosing exempt or confidential information.

7.1   None

8. Published documents referred to in compiling this report

- Together for Nottingham Plan
- IAB Instructions