
**Manchester City Council
Report for Information**

Report to: Human Resources Subgroup - 15 October 2015
Subject: *m people*
Report of: Strategic Business Partner (Workforce Strategy)

Summary

This report provides the Sub Group with an overview of the *m people* approach and its key achievements since the adoption of the *m people* Framework Agreement in 2010. It also highlights a number of areas of future planned activity to further strengthen and embed the *m people* approach.

Recommendations

The Finance Scrutiny Committee – HR Sub Group is asked to note the content of this report.

Wards Affected: All

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Background documents (available for public inspection):

Report to Personnel Committee, 24 November 2010:
Proposals for Adoption of m people - Framework Agreement

Report to Finance Scrutiny Committee – HR Sub Group, 17 March 2015:

*Progress update on the 2014 Time Limited Voluntary Early Retirement & Voluntary Severance Scheme & Overview of **m people** Monitoring Information*

1. Overview

- 1.1 The **m people** Framework Agreement was reached jointly with the Trade Unions in November 2010 and came into effect in January 2011. At the time, the organisation anticipated the need to reduce the workforce by around 1,000 FTE over a three year period and deliver workforce savings of circa £35M. The intention was that **m people** would support these changes and efficiencies through increasing the ability to flexibly deploy the workforce to areas of greatest need, in tandem with supporting the development of individuals aligned to personal aspirations and organisational skills requirements. This intention was accompanied by an organisational aim to avoid compulsory redundancies.
- 1.2 In reality, the budget settlement received in December 2010 required a far greater level of workforce reductions to be delivered over a shorter period of time, with the need to reduce the workforce by around 2,000 FTE and deliver £70M of workforce savings over two years. This trend has continued, with the workforce reducing by a total of 3,600 FTE (40%) and the delivery of £102.5M in workforce savings since **m people**'s introduction.
- 1.3 Central to the **m people** agreement are nine overarching principles which are set out below. Whilst the detailed organisational processes put in place to support their application have evolved over the last four and a half years, these principles remain central to the operation of **m people**:
- Concentration on developing our existing workforce – external recruitment will be exceptional and only by corporate agreement
 - Pace – the process has to have people moving around the organisation positively and quickly
 - Progression paths must be clear from entry level jobs to senior positions and by recruiting at entry level help to reduce worklessness – fulfilling our commitment to prioritise employing young people and Manchester residents.
 - Evidence based – a strong body of intelligence of the skills we have now and the skills we will need from the target operating models. This will

enable movements of staff to be planned based on knowledge of where the surpluses and the shortages of skills are going to be and when.

- Creating demand for movement – through effectively moving people to new roles creating spaces for others to move into, through appropriate use of Voluntary Early Retirement and Severance (within existing rules) and through restricting external recruitment including temporary and interim appointments.
- Managers dealing effectively with poor performance so that poor performance is addressed at source, not restructured out to another part of the Council.
- Pull not push – the purpose of **m people** will be to enable services to pull in people with the skills needed rather than push away people not required.
- Incentive based – Strategic Directors and Heads of Service are accountable for the delivery of the improvement and efficiencies within their business plans and target operating models. The **m people** process will be the primary means by which they can draw in the skills they need and move people within the organisation. This will encourage positive and reciprocal behaviour allowing people to move positively between services.
- All staff on **m people** pathways. A pathway is a way of describing the journey an employee is on e.g. matched to a new role in a new structure, on a supported placement with a view to a permanent move, or a full time training programme to change career direction. **m people** will not be confined to services currently subject to redesign. Staff in parts of the Council not currently changing will be able to apply to opt into a pathway (eg supported placement) thus creating more spaces for others to be moved into.

1.4 In March, the Sub Group received a report which included an overview of some of the key successes of **m people**. The remainder of this report provides further detail on this area.

2. **m people Key Achievements**

2.1 In delivering the required workforce savings and reductions, the organisation has continued in its aim to avoid compulsory redundancies. This period has seen the required reductions delivered entirely through a combination of natural turnover and voluntary early retirement and severance schemes, underpinned by organisational redesigns across all parts of the Council. The **m people** approach has enabled over 10,000 individuals to move across or

out of the organisation, directly matched around 4,000 staff to new roles and supported over 700 employees who have 'opted in' for a voluntary move. It has enabled a more flexible approach to resourcing and supported personal aspirations, with a large number of success stories demonstrating how this approach to supporting development and flexibility has enabled individuals to develop in line with their personal aspirations. It is worth highlighting that the scale of these achievements are far beyond what was originally envisaged when the **m people** approach was agreed.

- 2.2 The need to deliver organisational change and workforce savings at pace and scale, has meant the organisational movement aspect of **m people** has been the most prominent facet of the approach. However, it is important to highlight the successful emphasis that has also been placed on supporting the workforce and driving development. The Support for Change Programme offered to staff and the Council's Apprenticeship Scheme have both received national recognition, with over 11,000 places on support for change courses offered and 290 apprentices joining the Council since 2011.
- 2.3 The organisation's career pathways framework in particular has provided a valuable tool to support individual career management and planning, helping staff to turn their personal aspirations into practical development plans. Career pathways analysis also provides information to support strategic workforce planning, identifying areas of projected over and under supply to inform succession planning. This approach provided a key tool as part of the 2015/16 budget setting and delivery process, including in support of VER/VS decision making.
- 2.4 A key measure of success which can be seen is the rate of progression of those who joined the Council as apprentices or graduate trainees, with the progression rate for this cohort consistently higher than the workforce in general over the past year and a progression rate of 4.32% in quarter one of 2015/16 for this cohort compared to 1.37% for other staff.
- 2.5 Career pathways are also being used to support professional development in specialist routes with traditionally high turnover rates. This includes a particular focus on social work and is a consideration as part of ongoing work in ICT and Capital Programmes and Property.
- 2.6 The above tools are underpinned by a continued financial commitment to supporting workforce development, with £807k of funding (circa £108 per employee) available to support this activity in 2014/15. These budgets have remained largely stable in recent years despite the unprecedented nature of required savings.

2.7 Going forward, a strengthened focus will need to be placed on strategic workforce planning to support the organisation in continuing to deliver the required changes and efficiencies in line with the **m people** approach. However, work in this area has already progressed significantly over recent years. The development of job families and the career pathways framework and underpinning workforce intelligence, roll out of ELearning, launch of **mi people** self service and the delivery of leadership and management training, with over 1,600 places on leadership and management courses offered in 2013/15 alone, all represent examples of this activity and, ultimately, the success of the **m people** commitment. The Council's work in this area has also been recognised nationally, as detailed below.

- Virtual College Award 2012 – Nomination for the Council's e-learning approach 'Best Use of resources to Make E-learning Accessible to All Staff'
- National Training Award 2012 - Finalist for the work of Support for Change activity
- National Apprenticeship Service - NW Regional Winner Macro employer of the Year 2013 - for the Apprenticeship programme
- HR Distinctions Awards 2014 – National winner for the Council's Apprenticeship Programme - 'Distinction in Youth led Training Schemes'
- Greater Manchester Skills for Business Awards 2014 - Winner of the Public Sector Award
- Greater Manchester Skills for Business Awards 2015 – Winner of the Collaboration Award for the Council's Supported Traineeship Scheme.
- Personnel Today Awards 2015 – National finalist in the Talent Management category (winners to be announced in Nov 2015)

2.8 In terms of key **m people** achievements, it is also worth highlighting that the joint work undertaken with trade union colleagues over the subsequent five years has amplified the positive working relationships with the Trade Unions, enabling timely progress of service redesigns and the workforce reduction and movement.

3. Continuing to Strengthen **m people**

3.1 Whilst, as noted above, the **m people** approach has achieved a great deal, it is important that a continued focus is placed on strengthening the operation of matching and movement to ensure the application of the **m people** principles remains as effective as possible in the changing workforce context. Key workforce statistics are set out below which need to be taken into account when considering future requirements:

- There continues to be a large number of applications for voluntary release with circa 14% of the organisation applying to leave under the 15/16

VER/VS scheme

- There remains a level of natural turnover across the organisation. Whilst it is difficult to understand what a steady state of turnover is, given the recent VER/VS schemes, the current turnover rate is around 5.4%
- There continue to be a large number of staff eligible for early retirement; 1,475 FTE of the current workforce will be 55 or over by April 2016. This, however needs to be seen in the context of changing legislation in relation to pensions.
- A continued focus needs to be placed on supporting those who do not secure roles following service redesigns to move quickly into another available funded position or placement elsewhere across the organisation, which is aligned to their skills and aspirations and meets an organisational need.
- **m people** is continuing to support movement and development and we are strengthening the focus on succession planning with 12 new graduate trainees and 50 new apprentices having joined the Council over recent months.
- The last VER/VS scheme saw 649 FTE rejected for release, (63% of those applicants who applied for release compared to around 25% under the previous two schemes). This has had an impact on staff morale.
- Manager feedback indicates that there needs to be a further strengthened focus on managing staff performance.

3.2 In order to respond to these challenges there are a number of pieces of work either already underway or in development which will support the organisation's continued ability to drive the **m people** principles.

3.3 **Communications and Engagement**

3.3.1 As new ways of working are developed to support the organisation's aspirations for growth and reform, it will be critical that the workforce understands these aspirations and demonstrate through their work, the types of behaviours that will be needed for the organisation to be successful.

3.3.2 Key to this will be how the Council communicate and engage with its employees in terms of the changes and challenges ahead, and the reinforcement of Manchester's organisational values. A clear action plan for employee communication and engagement is in place. This includes not only a range of approaches to communicating with employees, but also the opportunity for the workforce to contribute to the development of new models and feedback on their experiences.

3.4 **Improving Processes**

3.4.1 Work is underway to review a range of transactional HR processes with a focus, in the first instance, on the transactional elements of resourcing and service redesigns. Making these processes more streamlined whilst ensuring sufficient oversight remains in place will be central to ensuring the continued success and credibility of **m people**. It will be important that new processes provide an appropriate and effective service to managers, employees and the organisation as a whole. This work is being overseen by a group including senior managers from across the Council. The intention is for strengthened and improved processes to be in place by the New Year.

3.5 Improving Data and Systems

3.5.1 A truly effective **m people** approach, which supports individuals as well as works to meet organisational need, will also require further improvements to workforce data and analytics. This will need to be supported by investment in a system to support a cohesive approach to talent management so that the organisation can fully understand the breadth of skills demand and availability to enable more efficient and effective strategic workforce planning. This work forms one element of the broader **mi people** programme and initial discussions are underway with ICT colleagues about how this area is progressed.

4. Developing a new People Strategy

4.1 The current Manchester City Council People Strategy reaches a conclusion this year and work is already underway to develop a new strategy which will set the strategic vision and priorities for the development of the organisation's workforce to 2020 and beyond. Key to this will be growing the skills required for the future. This work will be informed by both the new Manchester Strategy and take account of other developments, such as the growing devolution agenda. The People Strategy has, and will continue to, complement **m people** by setting out the core objectives for workforce development and change required to deliver the Council's priorities which will be progressed in accordance with the **m people** principles. Work to develop the new People Strategy will continue over the coming months and be informed by the outcomes of the staff survey currently underway, with a new Strategy presented to Personnel Committee in March 2016 for approval.

4.2 Whilst the work around career pathways noted above has been successful, work to broaden and strengthen this activity and embed the approach within services as part of an integrated approach to workforce development and strategic workforce planning in support of **m people** will be a core element of the new People Strategy. Fundamental to the success of this will be the development of stronger engagement and ownership from Services and

through Directorate Workforce Development Groups to ensure the right balance is in place between protecting and growing skills and capacity where necessary and supporting reductions elsewhere.

5. Conclusion

- 5.1 The ***m people*** approach has supported a pace and scale of organisational change far beyond that envisaged when the Framework Agreement was reached, nevertheless it has supported the workforce to reduce by over 40% since December 2010. Whilst the focus of much ***m people*** activity has been on supporting the change and the movement of staff, there has also been significant activity to drive the development skills for the future through, for example, the creation of the Council's job families and career pathways framework and the apprenticeship scheme.
- 5.2 The ***m people*** principles remain core to the organisation's approach to supporting the workforce and driving change and improvement. However, in order to ensure their practical application remains as effective as possible work is underway to strengthen the organisational approaches to internal communications and engagement and to renew and improve transactional processes and systems. The developing new People Strategy will also be a fundamental tool in complementing ***m people*** by setting out the core objectives for workforce development and change required to deliver the Council's priorities over the coming five years and beyond.