

Midlothian Council Workforce Innovation: How councils are responding to workforce challenges



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Key facts



Workforce 2022/23

4,990

Number of people working for the council: headcount

4,000

Number of people working for the council: full time equivalent

1,375

Number of casual/off payroll staff

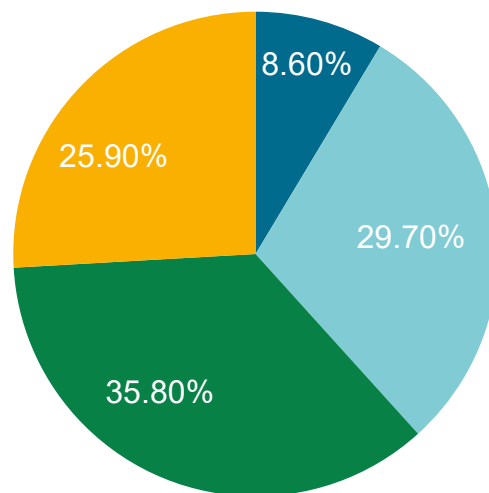
10.4%

Turnover of staff in last year

11 days

Days lost due to absence in last year per employee

Midlothian Council Staff Age Profile (%)



■ Age 16-24

■ Age 25-39

■ Age 40-55

■ Age 56+

Key messages

- 1** Midlothian Council is the fastest growing local authority in Scotland and is one of the six Councils which comprise the Edinburgh and South East of Scotland City Deal. This growth Deal has five main themes: Research, Development and Innovation, Housing, Integrated Regional Employability and Skills, Culture and Transport. Midlothian Council, recognising the skills required for the future has invested significantly in digital skills through both the opening of the Councils first Centre of Excellence in Digital and the roll out of the £10.5 million Equipped for Learning programme.
- 2** In 2022, the Council approved a new Transformation Blueprint which defines what services the Council will provide in the future, where these services will be delivered and by whom. The Blueprint is divided into five main themes of which theme 2 focuses on the creation of a 21st Century workforce.
- 3** The Council is currently developing an organisational workforce strategy and plan for the three-year period 2024-2029 and is expecting to have this approved by committee in late 2024. Work is ongoing to ensure the strategy and plan support delivery of the council's priorities which are set out in the Transformation Blueprint.
- 4** The new digital strategy will be presented to Council in October 2024. The Council has already realised workforce benefits through its successful implementation of Microsoft 365 and the use of digital technology in education services. The council is continuing to explore how the use of digital initiatives can further improve processes.
- 5** The council has launched a new customer services platform to promote channel shift. Key benefits of this include an improved customer journey, faster response times for service requests, helping to reduce complaints and duplication of work. The Customer Service Platform project is a 4 year programme which commenced in 2022. Nine modules were live by June 2024, with a number of modules in planning and test phase (over 40) to go live in the remainder of 2024/25.
- 6** The council's Hybrid Working Policy was approved in 2023. Hybrid working provides flexibility for staff and is promoted by the council as a non-financial benefit for employees. It is worth noting that most of the Council's workforce are front facing but for those who have a role that can be delivered in a hybrid way, the Council recommends and supports this way of working. As the policy is embedded and hybrid working practices are fully adopted, supported by the

rollout of digital tools such as M365, then the council will be able to assess the overall impact of hybrid working at an organisational level.

- 7** The council has maintained the Healthy Working Lives Gold Award for over nine years and continues to explore new ways to support employee wellbeing. A revised Wellbeing Strategy was launched in early 2024 following consultation with Trade Unions. Progress on the delivery of the themes within the Wellbeing Strategy are reported through quarterly performance reporting to Cabinet and Performance, Review and Scrutiny Committee.
- 8** Capacity and recruitment issues are significant challenges for the council with shortages being experienced in several key services including education, digital, procurement and social care and social work. The council and the Health and Social Care Partnership have introduced a number of initiatives to improve capacity and skills for their existing and future workforce. Careful consideration has been given to providing opportunities for young people and the unemployed and Employment/Job Fairs are delivered by the People and Partnerships Directorate to promote work opportunities available at the Council and with local partners.
- 9** The council shares services with and roles with other councils. The workforce benefits of these arrangements have still to be captured or quantified.

Scope of the audit

1. The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure.
2. This report sets out how the council is responding to current workforce challenges through building capacity, increasing productivity and innovation.
3. [The Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The [Code of Audit Practice 2021](#) sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2021 Best Value reporting requirements

Extract from the Code of Audit Practice 2021

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.
- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

4. This report covers the thematic aspect of the Best Value audit requirements. The Accounts Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges. In carrying out the work auditors have considered the following questions:

- How effectively are the council's workforce plans integrated with its strategic plans and priorities?
- How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?
- How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?
- What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?
- What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?
- How effectively is the council measuring the impact of its workforce planning approach?

5. An improvement action plan is included at [Appendix 1](#) of this report setting out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

6. The coverage of the work is in line with the expectations for councils' arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

1: Workforce strategy and priorities

Midlothian is the fastest growing council area in Scotland. The council is expected to see a further growth rate between now and 2028 of 13.8% compared to the Scottish average of 1.8%. The growth in population will increase pressure on services and the council needs to ensure it has the workforce it needs to meet current and future demands.

7. Workforce planning involves identifying and addressing future capacity and skills gaps, at operational and leadership levels. It requires strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trade unions.

8. A council focused on achieving Best Value will have a workforce strategy that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.

9. To be effective, workforce planning must be integrated across the organisation. Workforce strategies need to support the council in achieving its strategic priorities. They must support other key plans including financial, asset, digital and transformation planning. They need to be under-pinned with detailed workforce plans within services.

10. Midlothian is the fastest growing council area in Scotland with a 16.1% increase in population between 2011 and 2022; this level of growth is 13.4% higher than the Scottish average of 2.7%. Growth is particularly acute in the 0-15 and over 75 age groups bringing significant additional demand for council services.

11. The council is expected to see a further growth rate between now and 2028 of 13.8% compared to the Scottish average of 1.8%. The growth in population will increase pressure on services and the council needs to ensure it has the workforce it needs to meet current and future demands.

12. Midlothian Council is one of six Councils which comprise the Edinburgh and South East of Scotland City Deal. This growth Deal has five main themes: Research, Development and Innovation, Housing, Integrated Regional Employability and Skills, Culture and Transport. Midlothian Council, recognising the skills required for the future has invested significantly in digital skills through both the opening of the Councils first Centre of Excellence in Digital and the roll out of the £10.5 million Equipped for Learning programme to equip its citizens with the skills required to benefit from the region's ambition to become the Data Capital of Europe. The Council also has an ambitious green house building programme and is working together with the Midlothian Energy Training

Academy in order to ensure that the workforce is developing the green skills required as the Council makes its transition to a net zero county.

Midlothian Council approved a Transformation Blueprint in 2023. One of the key themes of this blueprint is the creation of a 21st Century Workforce. To support this, the Council is currently developing an organisational workforce strategy and plan for the three-year period 2024-2029 and is expecting to have this approved by committee in late 2024.

13. In 2023, the Council approved a new Transformation Blueprint which defines what services the Council will provide in the future, where these services will be delivered and by whom. The Blueprint is divided into five main themes of which theme 2 focuses on the creation of a 21st Century workforce. This theme focusses on digital transformation and human resource management to automate a wide range of tasks to free up the human workforce to undertake tasks which can only be carried out by people.

14. Midlothian Council recognises the ongoing challenges faced when filling vacancies with suitably qualified or experienced staff, and as a result, this is identified as a risk included in the Council strategic risk profile and service level risk registers. Workforce is a standing item on the three weekly Corporate Management Team agenda, and the strategic risk profile is scrutinised quarterly through the Chief Officer Risk and Resilience Group, Corporate Management Team and at meetings of the Audit Committee.

15. The council is currently developing an organisational workforce strategy and detailed plans for 2024-2029. This work is expected to be complete and approved by committee in late 2024. Work is ongoing to ensure the strategy and plan support delivery of the council's priorities which are set out in the Transformation Blueprint document 2024-2027.

16. A governance framework has been established comprising a Business Transformation Board (BTB) which consists of the Senior Responsible Officers who lead on a series of sprints, each with a senior responsible officer. The BTB reports to a Business Transformation Steering Group (BTSG) consisting of elected members, chaired by the Council Leader.

Developing workforce plans to support the Transformation Blueprint is proving challenging due to resource constraints and a lack of baseline data.

17. Audit Scotland's Local Government Overview (LGO) report 2023 highlights that workforce planning requires sufficient capacity and skills, strategic thinking and comprehensive workforce data.

Recognising the need for a strategic framework to ensure the work is properly planned, co-ordinated and documented, the Council appointed a new Strategic Lead for Human Resources in December 2022 to take this work forward.

18. The Human Resources (HR) and Organisational Development Team is led by the HR Strategic Lead (appointed in December 2022) and comprises 2.8 FTE HR Business Partners (each aligned to one of the Council's three Directorates), 1 FTE Policy Officer, 1 FTE OD Officer, 1 FTE Lead Job Analyst, and 1.8 FTE Investigation Officers. This team supports an overall council workforce of around 4,000 full time equivalent. There was a gap in recruiting the HR Strategic Lead following the departure of the previous HR Manager in late 2022. This gap presented challenges to the organisation's capacity for strategic workforce planning alongside business as usual and the effects of this is evidenced in the lack of delivery of strategic workforce objectives within timescales. This is now being addressed through the current sprint work in the Transformation Blueprint with workforce as an identified theme for delivery now that the HR Strategic Lead is in post. To support this theme, a fixed term HR Assistant was appointed in April 2024 to assist with workforce planning.

19. The council needs to ensure that it bases its workforce strategy on reliable and robust data which demonstrate the challenges it faces particularly in recruitment and retention, the labour market context, projected skills and capacity and wellbeing alongside the strategic priorities for the council in the delivery of services. The characteristics of mature workforce planning are described in the workforce planning maturity matrix in Exhibit 9 in Audit Scotland's LGO 2023.

Elements of workforce planning are progressing across services.

20. The council produced guidance and a toolkit to support services in carrying out workforce planning in 2022. The guidance highlights the need to attract talent, including growing their own by ensuring there are clear progression pathways, with the workforce feeling engaged, valued, motivated and empowered so that staff can reach their full potential. We found that elements of workforce planning are progressing across services but there is no strategic framework for ensuring the work is properly planned, co-ordinated and documented. As a result we have been unable to assess the extent of progress in preparing the workforce strategy and detailed plans.

Recommendation 1

The council should ensure it has sufficient capacity to deliver its corporate workforce strategy and detailed plans within agreed timescales.

2: Digital technology and the workforce

The council is developing its digital strategy under its Transformation Blueprint. It has realised workforce benefits through its successful implementation of Microsoft 365 and the use of digital technology in education services.

21. The Local Government in Scotland Overview notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

22. Digital technology has a strong bearing on a council's workforce needs. It can be used to re-shape jobs to increase productivity and reduce back-office functions while improving service quality. Technology solutions include online services, customer relationship management systems, mobile digital devices and more recently, artificial intelligence (AI) applications.

23. Councils need to be innovative in their use of technology and build on new working practices that emerged during the pandemic. In doing so, they must also consider service quality and the needs of people experiencing digital exclusion.

24. The council have invested in the creation of a Chief Digital Officer (CDO) who took up post in January 2023. In line with the Transformation Blueprint, the CDO is developing a refreshed digital strategy which is due to be presented to the council in October 2024.

25. Governance arrangements to support the delivery of the digital strategy across the council are aligned with the governance framework for the Transformation Blueprint. The Digital Delivery Group (DDG) meets monthly, providing a formal report to the Business Transformation Board (BTB) at every meeting of BTB. The BTB reports to the Business Transformation Steering Group (BTSG). The DDG aims to provide senior expertise and support for digital initiatives across the council as well as looking at overall resourcing and scrutinising overall performance of digital projects and alignment to the Council's strategic objectives. Individual digital projects have their own governance arrangements which then report to the DDG and BTB and BTSG i.e. the implementation of M365 is scrutinised by the M365 Project Board with progress reported into this overarching governance framework.

The council has implemented Microsoft 365 to support more efficient and collaborative working and provided staff with bespoke equipment and access to accessibility software.

26. The council is successfully supporting staff to use Microsoft 365. The first phase of the programme supported the workforce to use core office applications to work in a more efficient and collaborative way. Midlothian Council partnered with a consultancy company to develop the in-house technical skills required for the project and then appointed a project manager in April 2023 to roll out the first phase by October 2023. This included change management strategies, communicating the benefits of Microsoft 365, in-person sessions with questions and answers, forming a champions network, and multiple methods of training including personalised support where required.

27. The council evaluated this phase of the programme highlighting success stories and identifying learning points to inform the next phase of the programme. Overall, they found that the programme helped people work more efficiently and collaboratively by using:

- the planner application in Teams for project management;
- Teams channels to enable more group discussions and sharing of information and support;
- Loop to organise and share meetings information; and
- federation to enable calendar sharing with the NHS to improve planning and coordination with NHS colleagues.

28. The second phase of this programme is currently in progress and is focused on realising the full benefits of the Microsoft 365 across the council. This will involve a significant change programme to improve the way staff work to save time and collaborate more simply. The business case sets out the objectives, financial costs, benefits and risk management. The council is building in learning from the first phase of the programme, for example, a CMT member on the Microsoft 365 Board to provide visible senior leadership and there is more focused work with services on how they can use digital to work better and improve their own processes.

Digital Services have been pivotal in supporting hybrid working

29. The council has supported hybrid working since 2023. Digital Services have been pivotal in enabling hybrid working through upgrading workspaces and corporate laptops in addition to migrating the software of mobile phones to better integrate with Microsoft 365. Digital Services have also responded to accessibility issues raised by staff in a survey on hybrid working, examples of this are providing staff with bespoke equipment and access to accessibility software such as closed captioning for the hearing impaired and dictation and reading software.

Good practice: Digital

The council has successfully rolled out Microsoft 365 and has used feedback to drive continuous improvement. The council is continuing to explore how the use of digital initiatives can further improve processes.

The council has invested £10.5 million in transforming approaches to learning, teaching and assessment and received national recognition.

30. The council is successfully supporting its staff to work in new, digital ways with primary and secondary pupils. Equipped for Learning is a £10.5 million investment project that has enabled all 14,000 young people of school age to receive a device for learning and is transforming approaches to learning, teaching and assessment. The council is now in the third year of this five-year project and has taken an innovative approach to upskilling staff to make sure they have the digital skills needed to transform learning.

31. The council invested in a Digital Inclusion and Learning Team (DILT) comprising a senior learning technologist, four learning technologists and assistive learning technologists for complex needs. This team works directly in schools engaging directly with teachers and support staff, to best use digital tools.

32. The council has successfully trained staff in digital skills in two key areas to help support better outcomes for those children with special educational needs:

- **Google workspace for education:** In spring 2022, the council worked in partnership with Canopy to equip staff with the skills needed to use Google Workspace Tools to make the most from Google Workspace for Education. By winter 2022, 92% of staff had completed the tutorials, allowing them to use technology in ways that had not been possible before.
- **Read/Write software:** This is a literacy support toolbar which removes barriers to learning and helps every child succeed. The toolbar gives young people from primary one upwards accessibility tools to engage with learning in different ways. The council invested in this software in 2021 but usage was low due to lack of staff awareness and the skills to use it. DILT used a similar approach to Google Workspace, going into schools and delivering in-person training with all staff showing how the literacy toolbar supports children with different additional support needs as well as children who have English as a second language. The positive impact of this approach is evident with a 529% increase in usage, 90% decrease in referrals for assistive technology, increases in staff confidence and improved productivity of young people.

The council won a Learning Places Scotland national award in 2023.

33. In 2023, the council won a Learning Places Scotland national award for Transforming Learning, Teaching and the Curriculum for its Equipped for

Learning project. Since then, the council has partnered with a digital software supplier to enable families to download free literacy support software to their own devices for free. This is anticipated to help improve outcomes for children and their families who can use the software to help them access information and support in a more inclusive way.

Good practice: Innovation in Education

The council has been successful in transforming approaches to learning, teaching and assessment and won a Learning Places Scotland national award in 2023.

34. To help support the rapidly growing local population and growing demand a new Customer Service Platform (Channel Shift) was launched in 2022 enabling online payments 24/7, customer self-service and the automation of back-office payments. The customer services platform has generated some efficiencies and provides the council with better data to track the progress of customer requests and use this data to make improvements.

35. The council still has a significant way to go to fully implement Channel Shift with nine modules complete and over 40 in plan, design and test phases to be launched in 2024/25. The rationale adopted was to prioritise high volume transaction services. The council recognises that the shift to online services can lead to digital exclusion for many people in its local communities and therefore customers can still request services by phone. The council shows some initiatives to better support people who may have barriers to accessing digital technology both in its communities and its workforce, through a range of digital upskilling programmes delivered through Library and Community, Lifelong Learning and Employability Services.

36. Digital services will be critical to helping the council meet growing demand and improve outcomes. Resource for digital services is limited and agreeing priorities to best deliver improved outcomes will be an important function of the Digital Delivery Board.

37. The Learning and Development team across Adult and Children's services developed some bespoke training rooms with wireless digital access to online and face to face training. Specific attention has been focused on providing digital access and support to the workforce who might struggle to operate and access digital learning. The bespoke rooms have docking stations, ipads and smart screens to aid access to learning for all with bespoke support from learning and development practitioners.

3: Flexible working and other innovative staff deployment

38. Work is ongoing to embed Fair Work First across the organisation. Fair Work First, is a Scottish Government policy for driving high quality and fair work, and workforce diversity. Through this approach Midlothian Council can demonstrate fair working practices which are visible in attitudes, behaviours, culture, policies and practices within the organisation, and the value placed on fair work and equal opportunity in work.

39. The Council has appropriate channels for effective workers' voice, such as trade union recognition: Unions were fully engaged in the recent review of the Midlothian Recognition & Procedural Agreement, which provides;

Collective voice channels

- Providing access to trade unions and making workers aware that they can join a union of their choice.
- Involving trade union/worker representatives in key governance and decision-making structures.
- Recognising trade unions for the purpose of collective bargaining and encouraging membership, where this is the workforce's preferred route, and providing appropriate facility time for supporting regular engagement between union/s and members.
- Constructive dialogue between the employer, workers and where appropriate a relevant trade union/s to address workplace issues or disputes, e.g. absence management, grievance, health & safety.

Individual voice channels

- Pulse surveys have been carried out to understand worker views, including how well they feel effective voice is facilitated in the organisation, and are involved in agreeing and progressing improvement action.
- Formal and informal arrangements are in place through which meaningful individual and collective dialogue take place, including one-to-ones between workers and management, appraisal/feedback processes, team/organisation meetings.
- Appropriate collective consultation and a clear route for resolving issues at both individual and collective levels, such as through a grievance or collective disputes procedure.

- The organisation has highlighted that it promotes a strong culture of openness and transparency and encourages acceptance of different viewpoints.

Investment in workforce development:

- Learning & development is integrated in the organisation's strategic planning and workers and management jointly identify development needs and priorities, ensuring both individual and organisational needs are met.
- Regular equality and diversity training is provided for all staff.
- Learning & development opportunities are provided, and regularly reviewed, to help build the organisation's resilience and responsiveness to change.
- Managers have development discussions with individuals and teams and prioritise this as part of operational activity.
- Workforce Development Plans and Succession Management Plans are in place.
- Formal and informal learning is offered across the workforce, relating to people's particular role and wider development.
- The organisation is committed to providing apprenticeships.
- The organisation is committed to supporting the Young Person's Guarantee.
- Staff are supported to keep their professional qualifications up-to-date.
- The organisation has an appropriate charter mark achievement such as Investment in People or EFQM.
- The organisation invests in and utilises the skills and knowledge of union equality, learning and other workplace representatives and resources.
- Constructive engagement with union learning reps and Scottish Union Learning activities.
- Carbon literacy training is provided for all staff.

No inappropriate use of zero-hours contracts:

- All staff are employed on open-ended or fixed term contracts with confirmed hours and work pattern.

Action to tackle the gender pay gap and create a more diverse and inclusive workplace:

- Recruitment, retention and promotion processes prevent bias and barriers, for example, 'blind' recruitment; providing additional support/adjustments at application and interview stages; diversity in interview panels; and exit interviews are used to understand why a person is leaving.

- Workplace adjustments are in place and made for disabled staff or those with long term health conditions who need it. Additional support for adjustments are accessed through Access to Work.
- Flexible working - which could be a reasonable adjustment to some – is encouraged across the organisation from day one of employment, subject to business need.
- Workers have opportunities to influence the organisation’s approach to workplace equality, including by sharing their own experiences.
- The organisation gathers data to understand its workforce diversity and has a plan in place to address under-representation.
- Governance structures are gender balanced and the organisation is working to ensure parity for racialised minorities, disabled, young people and workers over 50 years.
- Enhanced maternity, parental and adoption leave and pay are available for all staff, and staff are supported to return to work through keep in touch days and refresher courses.
- A private, healthy and safe environment is provided for breastfeeding mothers to express and store milk.
- Everyone has equal access to appropriate learning & development opportunities.
- All staff have opportunities to discuss their support needs with management.
- Employers are able to provide safe spaces for workers to express their concerns and raise issues and where workers are confident that their concerns are dealt with appropriately by trained personnel.
- Policies are in place that align with Equally Safe, Scotland’s strategy for preventing and eradicating violence against women and girls (VAWG).
- Staff and policies recognise Commercial Sexual Exploitation as a form of VAWG and support the policy principles, applying these to relevant policy and practice.
- The organisation gains Equally Safe at Work accreditation to prevent workplace sexual harassment.
- Employers promote and support mentally healthy workplaces where mental health and wellbeing is meaningfully discussed and where stigma and discrimination is addressed.
- The organisation provides support to women experiencing menopause in the workplace. Information is available from NHS Inform and Close the Gap

Offer flexible and family friendly working practices

- Organisational policies and practice are in place to support flexible and family working, developed collaboratively by the employer, workers, where present, trade union or other worker representative, in line with legal requirements in terms of reasonable adjustments, and are regularly reviewed.
- Jobs are designed around business outcomes, not based on fixed locations or times to provide flexibility.
- Flexible working and family friendly policies are highlighted in job adverts.
- Employers and workers have constructive conversations about requests for flexibility. Trial periods or pilots can be used to test workable solutions for the individual, team and employer.
- Managers get appropriate training and support to enable them to effectively manage individuals who work flexibly.
- Flexible and family friendly options are available at all levels in the organisation and for all staff – not just women or mothers, and to encourage partners to share caring responsibilities.
- Flexible working can be offered as a temporary arrangement to accommodate particular circumstances with review points agreed at the outset by the employer and the worker.
- Learning and development is arranged to accommodate different flexible working arrangements and, where practicable, technology is used to facilitate access.
- Enhanced provision is available to support workers with families, such as more tailored maternity, adoption, and shared parental leave and pay.
- Accessible systems and protocols, such as IT equipment and digital diaries, are used to facilitate effective work practices, enabling remote workers to participate alongside their site-based colleagues.
- Meetings are arranged at times that enable workers to attend (in person, by phone or virtually) so everyone can contribute and feel included.
- Effective use of flexible and family friendly practice is modelled from the top down.
- Employers develop and maintain a home and other remote working policy with consideration given for workers with protected characteristics and suitable provision to support workers' mental health and overall wellbeing.
- Working from home and other remote working is not monitored by invasive worker monitoring software.
- Employers, workers and, where present, union or other worker representative, collaborate to agree an approach to flexible and out-of-

hours working, with clear boundaries between work and non-work time - enabling workers to disconnect outside working hours.

40. The Council promotes the Armed Forces Covenant within Midlothian. They work closely with partners to make it easier for serving personnel, reservists, veterans and their families to integrate seamlessly into their local communities, and to help them access any help or support they might need.

41. During the pandemic councils needed to make the best use of their existing workforce while continuing to monitor employee wellbeing. Councils continue to look to new ways of working to improve job satisfaction and reduce sickness absence and staff turnover.

42. Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. Some councils are also considering more radical working practice such as a standard four-day working week. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.

The council's Hybrid Working Policy provides flexibility for staff and hybrid working is promoted by the council as a non-financial benefit for employees. It should be noted that most of the Council's workforce are front facing but for those who have a role that can be delivered in a hybrid way, the Council recommends and supports this way of working. The policy was formally agreed after extensive staff and Trade Union consultation in late 2023. As the policy is embedded and hybrid working practices are fully adopted, supported by the rollout of digital tools such as M365, then the council will be able to assess the overall impact of hybrid working at an organisational level.

43. The council approved a remote working policy in September 2020 in response to the Covid-19 pandemic, which was then refreshed and updated to a Hybrid Working Policy in 2023 and continues to support hybrid working as a non-financial benefit for employees. Given the range of disparate jobs across the council, it is up to managers to discuss appropriate working arrangements with employees and ensure that they are fit for purpose for their specific job and complements individual lifestyles as much as possible.

44. The council carried out staff surveys on hybrid working at Midlothian House/ Fairfield House and Eskdail Court. Around 1,000 staff members responded and provided insights into wellbeing whilst working from different work settings including home and in the community. The survey covered a range of issues around the benefits and drawbacks of hybrid working, whether sufficient support is provided, communicating with colleagues, the office environment and records management. Staff raised a wide range of issues including practical and technical issues as well as suggestions for improvements. The council collated the issues raised and shared their response to promote more effective hybrid working in spring 2023.

45. Midlothian Council is supportive of hybrid and flexible working, recognising these benefits can be used to attract staff to work and stay with the council in a competitive labour market environment. However, the council has not assessed the overall impact of hybrid working at an organisational level such as its effect on performance, budget savings and efficiencies. Discussions are ongoing about the impact of hybrid working on the estate. The council has data on the use of their offices which informs the Estate Rationalisation and Hub and Spoke/One Stop Shop workstreams within the Transformation Blueprint and the Capital Plan Prioritisation work programme, which is subject to consideration by elected members. There are no decisions yet taken on changing the estate.

Recommendation 2

For employees who have adopted the hybrid model, the council should assess the impact of hybrid working at an organisational level to ensure this way of working is generating organisational benefits as well as benefits for employees on an individual level.

The council's flexible working policy supports employees in achieving a good work-life balance.

46. The council has a flexible working policy, recognising the benefits of providing employees with flexible working options to achieve a satisfactory work-life balance. Other supportive policies in place for staff include a carers policy; family leave policy; adoption policy; menopause policy; transgender equality policy; mental health and wellbeing policy; and flexible retirement policy.

47. The CMT took the strategic decision to move away from generic staff surveys in 2020 and moved towards a model of service specific and listen and learn sessions which are free flowing discussions with staff on how they are feeling on issues facing the council and these issues are passed on for discussion with senior staff to identify areas that they can respond to and improve. The council get feedback on some individual initiatives for example on hybrid working, behaviour in schools and the wellbeing pilot with occupational health in facilities management, but they need to do more to demonstrate overall impact on staff.

Recommendation 3

The council should collate the information gathered from listen and learn sessions and staff feedback exercises to measure the impact of new and existing workforce policies or initiatives on an ongoing basis.

The council is proactive in promoting health and wellbeing and has maintained the Healthy Working Lives Gold Award for over nine years.

48. The council launched its wellbeing approach in May 2022 which shares wellbeing activities and courses on an ongoing basis. During April to September 2023, the council organised over 30 wellbeing events for staff including health checks, mental health awareness, support for the cost of living and mindfulness. The council also promoted carer's week and men's health guidance.

49. Throughout 2022/23, the council upheld the Healthy Working Lives Gold Award which it has now maintained for more than nine consecutive years. The Council has also upheld the Equally Safe Bronze Award since 2022 and through the Equally Safe Steering Group, is proactively working towards achieving Silver Award.

50. Policies relating to health and wellbeing are continuing to be developed and updated for a variety of conditions and situations and occupational health wellness appointments are being piloted with a view to extending them across the council.

51. The council approved a Wellbeing Strategy in 2023 which focuses on the financial, physical, and psychological wellbeing of the workforce and ensures employees have access to advice, guidance and initiatives which support their health and wellbeing. This will be linked to the Workforce Strategy which is being drafted and presented to committee in late 2024.

Good practice: Wellbeing

The council has maintained the Healthy Working Lives Gold Award for over nine years and continues to explore new ways to support employee wellbeing.

4: Developing future skills and capacity

52. Councils need to find innovative ways to secure the workforce capacity and skills they need to deliver services in the future. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

53. Jobs can be re-designed to optimise the workforce and improve services. The Council's Transformation Blueprint has a key theme called "21st Century Workforce" which is taking forward digital solutions and different ways of delivering services.

Capacity and recruitment issues are significant challenges for the council.

54. As with many public sector organisations, capacity and recruitment issues are significant challenges for the council with shortages being experienced in several key services including education, digital, procurement and social care. Recruitment for posts can take several months. The council has identified that some of the staff shortages arise from competition from both the private sector and neighbouring local authorities who often pay higher rates for certain posts. To cover vacancies that cannot be filled, sometimes the council uses agency and temporary staff across different job roles and sectors. At the time of audit, the council was using a total of 255 agency staff and 1,120 casual staff. While this can help fill staff shortages, it is expensive and brings additional costs. A review of all Off-Payroll Workers commenced in 2023, with digital mechanisms introduced to support the enhanced governance of the use of Off-Payroll Workers. Individual services with higher reliance on agency workers are undertaking reviews of their workforce plans i.e. in Waste Services as part of the Neighbourhood Services restructure, the Procurement Strategy refresh and through the recently completed Sport and Leisure staffing review.

55. To address recruitment challenges, the council is drafting a recruitment strategy which will set out their objectives in attracting and recruiting staff to the organisation and will be taken forward under the Transformation Blueprint. In the meantime, a rigorous approach to deciding whether to fill non-essential vacancies has been introduced with directorate management teams having to consider and justify replacements for vacant posts.

56. Human Resources are working with Communications to promote Midlothian Council as an employer of choice drawing on non-financial benefits such as flexible and hybrid working, an employee assistance programme which offers confidential counselling and an additional voluntary contribution scheme for pensions has recently been approved. A successful recruitment event at

Edinburgh College was held by the People and Partnership Directorate over two days in May to promote Midlothian Council as an employer of choice.

57. CMT have agreed to a revised onboarding and induction programme to commence in 2024. This programme will have an interactive induction led by Leadership Team, an annual recognition event for long service, refreshed exit interviews, and a survey to better understand the reasons that staff leave the organisation and what learning and improvements can result from this information.

Good practice: Innovation in recruitment

The council used an innovative recruitment video to attract a headteacher to a special education school in Midlothian, using interviews with staff and children in the school to highlight the culture and ethos of the school and the skills needed in a headteacher.

A number of work placement and experience initiatives are in place to support young people.

58. The council's Communities, Lifelong Learning and Employability Service (CLLE) run a successful employability programme which supports the council's workforce. Council departments are encouraged and supported to take advantage of foundation and modern apprenticeships and work experience and work placements to support local people taking their first steps to employment and building a career. Other innovative and impactful approaches include:

- **Partnership working:** In partnership with Children and Families Service in 2023, the council created a paid summer work experience placement opportunity at Loanhead Vocational Learning Centre targeted at care experienced and 'at risk' young people. Children and Families Services referred young people to the programme, the purpose being to upskill and develop knowledge of the construction industry leading to permanent employment. Both practical and employability skills were embedded into the programme. The programme was made as accessible as possible, and a keyworker was allocated to continue supporting everyone on their employment journey beyond the placement. Four out of five learners completed the course and the programme has been evaluated to capture what went well and what could be done differently.
- **Support:** The council supported 128 apprentices with an achievement rate of 72%. CLLE are currently bidding for 67 modern apprenticeships in 2024/25 across different council services.
- **Establishing connections:** The council are liaising with local universities and considering how to support graduate apprenticeships.
- **Redesign:** The council are working in partnership with the People Powered Results Team from Nesta to restructure Neighbourhood Services which includes redesigning jobs and developing people and their careers.

- **Guaranteed interviews** – the Council operates a guaranteed interview scheme for people that are trainees of a Midlothian Council Training Programme, have a disability and most recently, in 2024, introduced ‘The Promise Guarantee’ for care experienced young people, supported by CLLE.

59. While the council has a number of good employment initiatives, and some services have begun to consider succession planning, they are not being considered or implemented in a formalised or consistent way. This is especially important given the council’s ageing workforce, with over one third of employees aged 40-55 years and over a quarter aged 56 and over.

Recommendation 4

The council needs to formalise its overall approach to recruitment and developing future skills and capacity.

Midlothian Council’s Health and Social Care Partnership (HSCP) have introduced a number of innovative initiatives to improve the skills and capacity of their future and existing workforce.

60. [Audit Scotland’s 2022 Social care briefing](#) highlighted that the social care workforce has high vacancy rates with many services facing recruitment problems. Together with the increasing demand for social care this presents a risk to the capacity and quality of social care services. The workforce issues being experienced nationally are replicated within the Midlothian HSCP.

61. The HSCP has a workforce plan 2022-25. This plan makes comprehensive use of data on the workforce needs for the 1,330 staff who work for the partnership. The plan outlines key posts where recruitment is problematic and sets out how the HSCP plans to adapt the workforce to challenging labour market conditions. The plan lays out solutions to workforce shortages such as making use of technology, the third sector, partnership working and building career pathways.

The HSCP is exploring ways to attract people in to care roles and supporting those in the role to improve retention rates.

62. The HSCP has implemented innovative employment initiatives including:

- working with the council’s CLLE service to provide an increased number of foundation and modern apprenticeships;
- working with the council’s CLLE service to support parental employability programmes to support parents back into employment across social care services;
- a grow your own approach with around 90 people doing SVQs and 14 people working towards becoming a social worker;

- investment in leadership programmes to support front line managers in the workforce to further develop their career with Midlothian Council and the HSCP;
- working with the Department for Work and Pensions to trial assisted work placements with the long term unemployed.

63. The HSCP is also working to attract young people into the profession by regularly going into schools to talk about career paths in health and social care.

64. The Practice Learning and Development Team for HSCP and Children's Services have developed learning and development frameworks for social work and social care staff to help support and retain staff. The objectives include providing staff with a route map of qualifications and continuous professional development opportunities as well as a clearer route map and access to career pathways.

65. Following a comparative analysis of in-house and external staff retention rates, the HSCP piloted new block contracts with two external providers so that workers got paid for a shift rather than a client-by-client basis. They found that the retention rate increased from 66% to 85%. The change in contract type embedded a human rights-based approach, benefitting staff by offering fairer pay and terms and conditions and benefitting clients by providing greater consistency in carers.

66. As well as improving retention rates and providing benefits for staff, the purchase of block contracts has generated some level of savings for the HSCP including savings from reduced overtime payments.

Good practice: Workforce Initiatives

The council and the HSCP have introduced several initiatives to improve capacity and skills for their existing and future workforce. Careful consideration has been given to providing opportunities for young people and the unemployed.

5: Joint workforce arrangements across services and partners

67. Councils should look to work collaboratively with their partners to make the best use of their existing workforces and plan for the particular workforce needs in their areas. They should also work across traditional service department roles within councils to deliver improved services and outcomes. Examples of this include generic working across health and social care, professional posts or functions shared between councils, and services delivered through empowered communities.

The council shares a small number of other roles with other councils however the workforce benefits of these arrangements have still to be captured or quantified.

68. Examples of shared services:

- **Internal Audit:** Midlothian Council and East Lothian Council share internal audit services. A service level agreement has been in place since December 2022 for sharing the post of Chief Internal Auditor. The Chief Internal Auditor and the audit team deliver services to both councils, as well as the Midlothian Integration Joint Board. Benefits from this arrangement including building capacity, sharing expertise, and building a greater pool of knowledge. The council plans to review this arrangement later in 2024.
- **Library services:** The council delivers a shared mobile library service. The service operates throughout Midlothian, East Lothian and villages to the west of the county. This arrangement has been in place since 2015. East Lothian pay a small contribution towards the provision of this service.
- **Out of hours contact centre:** East Lothian Council is the lead provider for a shared out of hours contact centre. This agreement has been in place since 2010.
- **Non-domestic rates services:** The City of Edinburgh Council administers Midlothian Council's non-domestic rates service.
- The ethical commissioning of care at home services with the council's external care at home providers has supported and enabled a more stable and consistent workforce for care at home across Midlothian. This has further enabled those using these services to receive a more consistent and higher standard of service.

69. The council has not captured the extent to which there have been workforce benefits resulting from these shared roles. These might include reduced workforce, costs, or service benefits.

Recommendation 5

The council should capture the extent to which there have been workforce benefits resulting from shared services.

Work is ongoing to assess and improve shared service models with neighbouring local authorities.

70. The council is also a member of a shared services working group led by West Lothian Council. The group comprises six local authorities including Midlothian. Working with the Improvement Service, the group aims to develop and implement six transformation projects over the next 12 to 18 months. The council's own Chief Officer Corporate Solutions sits on three of these working groups. In addition to these workstreams, the intention is to identify some smaller scale approaches that can be piloted or progressed as formal or semi-formal arrangements.

6: Measuring the impact of workforce planning

The council monitors a range of workforce data as part of performance reporting. As part of the development of a workforce strategy the council should consider how performance information can support the achievement of objectives.

71. The council presents quarterly and annual performance reports to Cabinet and Performance, Review and Scrutiny Committee providing opportunities for elected members to scrutinise workforce information.

72. The quarterly performance report provides a narrative on workforce achievements over the past quarter and infographics on performance measures including:

- sickness absence;
- workforce demographics;
- occupational health and physiotherapy referrals;
- number of wellbeing events and attendees;
- number of employees accessing e-learning courses;
- gender pay gap
- staff turnover.

73. The councils also prepares an annual balanced scorecard which provides an opportunity to scrutinise performance measures across the council. It includes the local government benchmarking framework indicators on sickness absence; percentage of council employees in the top 5% of earners that are women and the gender pay gap. In addition, it has its own performance measures on staff turnover and staff appraisal performance however only one of these measures shows a target.

74. Service level workforce plans remain in development as noted in Chapter 1. These plans are essential for ensuring that organisational goals align with staffing needs and service delivery expectations. The successful delivery of these service plans depends on the availability of accurate and insightful performance information.

75. In order to ensure the success of its workforce plan the council needs to develop a high-quality performance management framework linked to the

workforce strategy. The use of robust data will help the council make informed decisions about staffing levels, skills requirements and resource allocation which would help it build a sustainable workforce.

Recommendation 6

The council should ensure that organisational and service level workforce strategies are supported by appropriate performance management information including quantifiable metrics.

Appendix 1: Improvement action plan

Issue / risk	Recommendation	Agreed management action / timing
<p>1. Capacity of human resources team</p> <p>The Human Resources and Organisational Development Team is led by the HR Strategic Lead (appointed in December 2022) and comprises 2.8 FTE HR Business Partners (each aligned to one of the Council's three Directorates), 1FTE Policy Officer, 1FTE OD Officer, 1FTE Lead Job Analyst, and 1.8FTE Investigating Officers. This team supports an overall council workforce of around 4,000 full time equivalent.</p> <p>There was a gap in recruiting the HR Strategic Lead with the departure of the previous HR Manager in late 2022. This gap presented challenges to the organisation's capacity for strategic workforce planning alongside business as usual and the effects of this is evidenced in the lack of delivery of strategic workforce objectives within timescales.</p> <p>This is now being addressed through the current sprint work in the Transformation Blueprint with workforce as an identified theme for delivery now that the HR Strategic Lead is in post. To support this theme, a fixed</p>	<p>It is critical that the council ensures it has sufficient capacity to deliver its corporate workforce strategy and detailed plans within agreed timescales (refer paragraph 20).</p>	<p>The Council is currently developing its refreshed Workforce Strategy which will be presented to Council in December 2024.</p> <p>The strategy will be accompanied with an implementation plan for the first two years, and within this a resourcing plan to deliver the work programmes within.</p>

Issue / risk	Recommendation	Agreed management action / timing
<p>term HR Assistant was appointed in April 2024 to assist with workforce planning.</p> <p>Risk: Workforce planning is not being progressed in line with corporate objectives.</p>		
<p>2. Organisational impact of hybrid and flexible working</p> <p>While noting that most Council staff are front facing, the council has not assessed the overall impact of hybrid and flexible working at an organisational level for example on performance, budget savings and efficiencies. The council has data on the use of their offices which informs the Estate Rationalisation and Hub and Spoke/One Stop Shop workstreams within the Transformation Blueprint and the Capital Plan Prioritisation work programme, which is subject to consideration by elected members. There are no decisions yet taken on changing the estate.</p> <p>Risk: Employees and the council may not be securing planned benefits and efficiencies from adopting hybrid and flexible working.</p>	<p>For the employees who have adopted the hybrid model the council should assess the impact of hybrid working at an organisational level to ensure this way of working is generating organisational benefits as well as benefits for employees on an individual level (refer paragraph 45).</p>	<p>A follow up report on the impact of hybrid working will be developed in early 2025.</p>
<p>3. Staff survey</p> <p>The Council took the strategic decision to move away from generic staff surveys in 2020 and moved towards a model of service specific and listen and learn sessions which are free flowing discussions with staff on how they are feeling on issues facing the council and these issues are passed on for discussion with senior</p>	<p>The council should collate the information gathered from listen and learn sessions and staff feedback exercises to measure the impact of new and existing workforce policies or initiatives on an ongoing basis (refer paragraph 47).</p>	<p>This work is ongoing to inform the workforce strategy development. A summary report of L&L sessions, actions and responses will be developed and presented to Corporate Management Team in early 2025.</p> <p>An all staff survey was issued in late August 2024, which is the first since 2019. This is to primarily inform the</p>

Issue / risk	Recommendation	Agreed management action / timing
<p>staff to identify areas that they can respond to and improve. The council get feedback on some individual initiatives for example on hybrid working, behaviour in schools and the wellbeing pilot with occupational health in facilities management, but they need to do more to demonstrate overall impact on staff.</p> <p>Risk: The council has no measure of how staff are feeling or the impact across the workforce of any new workforce policies or initiatives.</p>		<p>development of the workforce strategy but will also be the first of actions to adopt a staff engagement programme for the organisation – the staff engagement programme will be developed and presented to Corporate Management Team in early 2025.</p>
<p>4. Developing future skills and capacity</p> <p>Capacity and recruitment issues are significant challenges for the council. Some good employment initiatives are in place and there are some examples of succession planning but this is not being done in a formalised or consistent way.</p> <p>Risk: Capacity and recruitment issues are not being addressed consistently or in line with corporate objectives.</p>	<p>The council needs to formalise its overall approach to recruitment and developing future skills and capacity (refer paragraph 59).</p>	<p>This work programme will be part of the Workforce Strategy to be presented to Council in December 2024.</p>
<p>5. Shared services</p> <p>Midlothian Council shares several services with other council's across the Lothian region. The council has not captured the extent to which there have been workforce benefits resulting from these shared roles. These might include reduced workforce, costs, or service benefits.</p>	<p>The council should consider capturing the extent to which there have been workforce benefits resulting from shared services (refer paragraph 69).</p>	<p>Work is required to develop a benefits realisation approach to shared services. This will be looked at as part of the review of the existing shared services in Q3/4 2024/25.</p>

Issue / risk	Recommendation	Agreed management action / timing
<p>Risk: The council is unable to demonstrate workforce benefits resulting from shared roles. This information would help with workforce planning and budgeting.</p>		
<p>6. Performance management framework</p> <p>In order to ensure the success of the workforce plan the council needs to develop a high-quality performance management framework linked to the strategy.</p> <p>Risk: Without the use of robust data the council will not be able to make informed decisions about staffing levels, skills requirements and resource allocation which would help build a sustainable workforce.</p>	<p>The council should ensure that organisational and service level workforce strategies are supported by appropriate performance management information including quantifiable metrics. (refer paragraph 76).</p>	<p>KPIs will be developed for the delivery of the Workforce Strategy and integrated into the quarterly performance reporting which is presented to Cabinet and Performance, Review and Scrutiny Committee. This will be implemented for Q3/Q4 2024/25 reporting.</p>

Midlothian Council

Workforce innovation: How councils are responding to workforce challenges

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