



HR Annual Report 2018/2019

Report to: Board
Date: 19 June 2019
Report by: Alana Crawford, Acting Senior Human Resources Adviser
Report No: B-24-2019
Agenda Item: 17

PURPOSE OF REPORT

To outline:

- An overview of the activity and progress achieved during the past 12 months.
- The current workforce profile.
- The key priorities for the team during 2019/2020.

RECOMMENDATIONS

That the Board:

1. Notes the contents of this update report.
2. Advises on any format or content changes required for future annual reports.

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Consultation Log

Who	Comment	Response	Changes Made as a Result/Action
Senior Management			
Legal Services			
Corporate and Customer Services Directorate			
Committee Consultation (where appropriate)			
Partnership Forum Consultation (where appropriate)			
Equality Impact Assessment			
Confirm that Involvement and Equalities Team have been informed	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
EIA Carried Out	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
If yes, please attach the accompanying EIA and appendix and briefly outline the equality and diversity implications of this policy.			
If no, you are confirming that this report has been classified as an operational report and not a new policy or change to an existing policy (guidance, practice or procedure)	Name: Alana Crawford Position: Acting Senior Human Resources Adviser		
Authorised by Director	Name: Gordon Weir	Date: May 2019	

1.0 INTRODUCTION

The Human Resources (HR) Annual report provides information and analysis on the organisation's workforce profile as well as updating the Board on the activities of the HR team during 2018-19. It also sets out the key areas for development for the coming year.

The HR team provide various services which are available to all employees as well as advice and guidance to employees and managers on a broad range of employment situations. HR supports all employees throughout their employment life cycle, from recruitment to leaving the organisation.

In the previous year, whilst ensuring that we provide an effective HR service to our managers and employees, the HR team has also been in a transitional phase, by joining with the Scottish Social Services Council (SSSC) HR team to create a shared service model, led by a shared Head of HR.

2.0 PROGRESS MADE 2018/2019

HR, through our new shared service model, continue to make positive changes in the way the team works, supporting both the Care Inspectorate and SSSC to meet organisational strategic objectives. The aim is to ensure the workforce are fully engaged and supported to deliver their roles appropriately.

The priorities for HR are designed and delivered to reflect both HR and the organisation's continuous drive to maintain an employer of choice status and to be an organisation that knows how to attract, recognise and retain talent.

The key achievements in the previous year are summarised below:

- Implementation of an interim HR shared services structure to meet the needs of both the Care Inspectorate and SSSC.
- Managed 59 recruitment campaigns (including 24 internal campaigns), processed 711 candidates through robust selection processes including assessment centres.
- Managed the appointment of 27 new employees into the organisation and 38 internal promotions.
- Maintained the Gold Healthy Working Lives award and provided a number of employee benefits to employees.
- Supported 32 capability, dignity at work, grievances and disciplinaries through to resolution, in many cases successfully supporting resolution at the informal stage.
- Continued to provide dedicated support to managers in managing over 40 long term sickness absence cases, supporting a reduction in the overall sickness absence statistics for the workforce.

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- Worked with Beamans Management Consultants on our job evaluation scheme and supporting the appeals process.
- Continued to support policy development with our colleagues in Organisational and Workforce Development (OWD) and Health and Safety (H&S). We have also produced guidance documents to support our policies such as bereavement and redeployment guidance.
- Commenced phase 1 of the implementation of a new HR/Payroll system across both organisations.
- Supported the Pay Remit negotiations between Scottish Government, the Remuneration Committee and Partnership Forum

This report provides information and updates on a number of related topics.

3.0 HR STRUCTURE AND SHARED SERVICES

The implementation of a shared Human Resources service between the Care Inspectorate and SSSC began during the third quarter of 2017. The rationale for the creation of a shared service team was to reduce duplication, improve efficiency and improve best value for both organisations. Within the team there are a wider pool of experts providing higher quality customer service through simplified, consistent processes based on best practice.

In March 2019, the Care Inspectorate and SSSC HR staff co-located to continue the transition towards a more streamlined and co-ordinated function.

4.0 PAYROLL

A contract for the provision of a new HR/payroll system and outsourced payroll service was awarded to Zellis (previously NorthgateArinso) in April 2018. Setup work commenced in May and our first live payroll was processed in October 2018 with all staff being paid successfully in the first pay run.

There are a number of outstanding HR elements of the implementation that are being formally raised with Zellis at a senior level. These include problems with reporting and delays in the further role out of self-service functionality. This has led to the HR and Finance staff having to introduce some short term alternative processes and the review of these processes has been given high priority.

5.0 OVERVIEW WORKFORCE PROFILE

5.1 Workforce

Over the last three years, a number of changes and voluntary severance initiatives have reshaped the Care Inspectorate's workforce. The overall budgeted establishment has reduced from 605.5 full time equivalent (FTE) workers in 15/16 to 596.33 in 19/20, with changes affecting all directorates. A summary of the

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changes is shown in the table below.

Dept	15/16	19/20	Variance	Notes
Corporate and Customer Services	163.60	158.43	↓ - 5.17	Finance & CG -1.07; Legal -1; Customer Services -12.1; Agile +8; Displaced +1
Scrutiny and Assurance	378.6	372.5	↓ - 6.10	Children -0.4; Adults -0.3; Complaints -7.2; Registration -4.2; Strategic Scrutiny +6
Strategy and Improvement	59.30	61.40	↑ 2.10	Comms +1; Improvement -7; OWD -2.2; Risk & Intel +1; CAPA +7.3; Prof Standards & displaced +2
Executive	4	4	→ -	
Total	605.50	596.33	↓ - 9.17	

As at 31 March 2019, there were 606 (569.7 FTE) employees in post who were employed directly by the Care Inspectorate. This was supplemented by a further 20 workers (four seconded in and 16 engaged through an agency) which made the overall staff headcount 629 (589.7 FTE).

5.1.1 Equalities Data

Detailed information was provided to the Board at its March 2019 meeting on the equalities profile of our workforce in the Equality Outcomes and Mainstreaming Progress Report 2019.

This covered topics such as gender split (80% female, 20% male), and recruitment analysis.

5.1.2 Permanent/Temporary Profile

The use of temporary contracts has increased significantly in the last year with approximately 6% of the Care Inspectorate's workforce on a temporary contract. While temporary contracts are in use throughout the Care Inspectorate, the highest proportion is within Corporate and Customer Services. This situation has arisen as we have engaged staff working on the digital transformation programme and we have also engaged temporary business support staff pending full implementation of the new systems.

5.2 Turnover

Our turnover rate in 2018-19 was 9.5% (total of 58 leavers) which is similar to the previous year. 1.98% of leavers left involuntary which sadly includes the death of two employees, one ill-health retirement, one early retirement due to organisational restructure and the end of eight fixed term contracts. 2.5% of the leavers did so via retirement and 5.02% left due to resignation. Voluntary leavers across all Directorates were of similar numbers.

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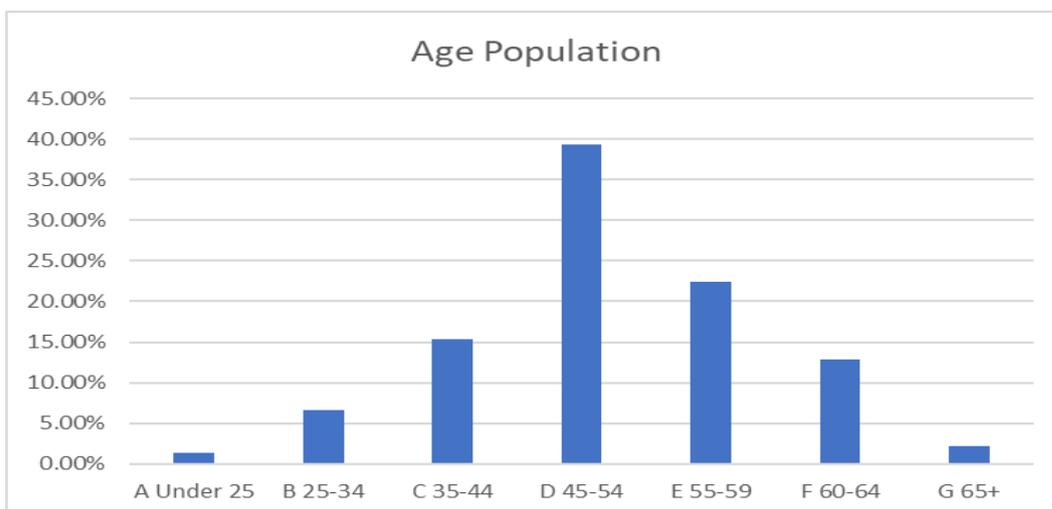
5.3 Age Population / Retirements

In 2018-19 there were 15 retirements across the organisation (1 Locum Inspector, 10 Inspectors, 1 Strategic Inspector and 3 Business Support Assistants).

There were 10 flexible retirements (7 Inspectors, 1 Strategic Inspector, 1 Business Support Officer and 1 Health Improvement Manager) in 2018-19.

We provide advice to our employees who are considering retirement in relation to the retirement options available and we also request pension estimates on behalf of employees from the Tayside Pension Fund.

The age profile presents a resourcing risk to the organisation as identified in the table below. This is highlighted in our Strategic Risk Register under Risk 3, 'Workforce Planning'.



Given that over 37.37% of our workforce are over the age of 55, and 39.39% are in the age bracket 45-54, it is likely that retirements over the coming years will continue to rise. One of the priorities of our Organisational and Workforce Development (OWD) team is to review our approach to workforce planning and succession planning. The Scrutiny and Assurance Directorate is also currently piloting two new roles. The evaluation of these pilots will inform the workforce planning exercise.

5.4 Flexible Working arrangements

Approximately 25% of our workforce currently work to flexible working arrangements. This comprises arrangements such as term time working, reduced hours, part time and condensed hours. In the last 12 months, 46 new flexible working arrangements have been agreed across our organisation on a permanent

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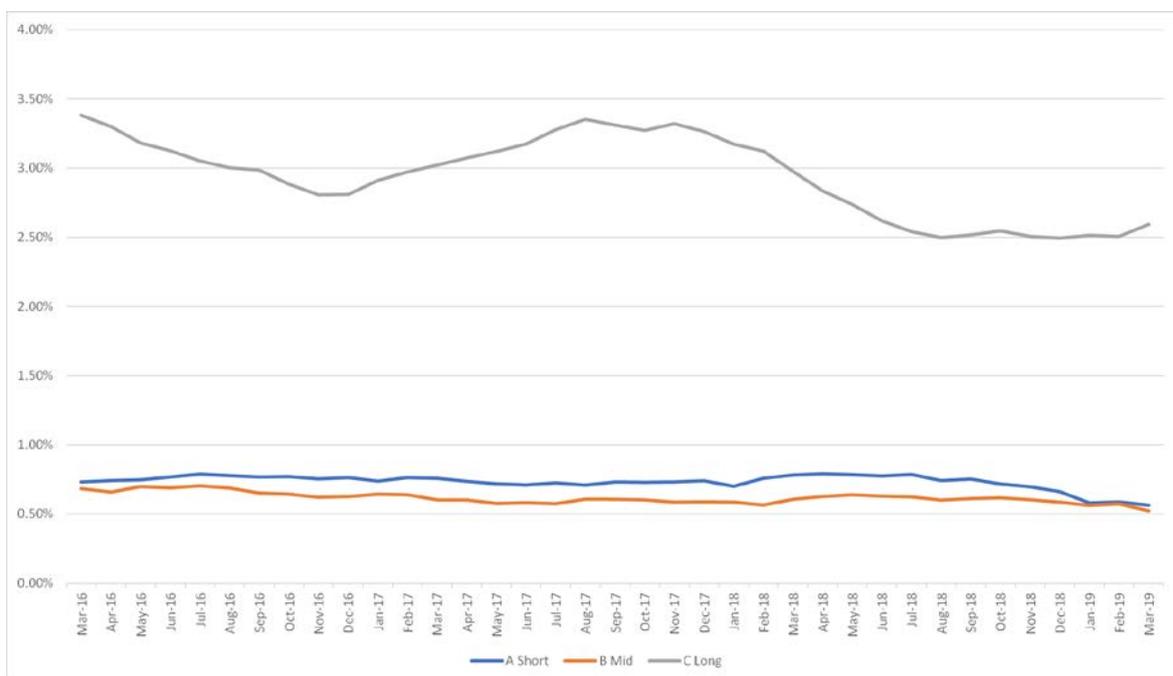
or temporary basis. We support flexible working opportunities providing that the arrangements will continue to meet the operational needs of the organisation.

Over and above the formal flexible working arrangements detailed above, our inspection staff have an intrinsically flexible contract as they work 140 hours over four weeks. This type of contract enables inspection staff to organise their workload in a way that gives them a lot of control over their work-life balance. Even though there is already a high degree of flexibility inspection staff are also entitled to request to work flexibly.

As an organisation, we also use the 'Happy to talk Flexible Working' logo on our job adverts. We encourage managers to think about the kind of flexibility that would work in the role, before recruitment. This ensures that we can recruit from a diverse talent pool.

5.5 Sickness Absence

Sickness absence continues to be an organisational priority and we are pleased to report that our short, mid and long-term absence rates are currently at their lowest level over the past three years. Our current sickness absence rate is 3.7%. Our long-term absence rate at the current time is 2.6%. The following table shows absence rates, by length of absence, on a rolling 12 month average basis.



The CIPD Health and Well-being Report (2019) reported the average working time lost in the public sector rate remained consistent with previous years at 3.9%. We also get good benchmarking data from a paid for service called XpertHR which identifies the latest average public sector absence rates as 3.8% (lower quartile 2.9%, upper quartile 4.6%).

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The top reasons given for our staff absence includes 1) minor illness, 2) mental health/psychological 3) stress and 4) musculoskeletal and acute or chronic conditions. This is consistent with the reasons given in previous years and is also consistent with the causes of absence noted across all sectors as identified in the CIPD report.

To address these and support the workforce, HR continue to work closely with managers in robustly managing both short and long term absences. We support managers to carry out ill-health and stress risk assessments, where necessary and we work with managers and employees to consider suitable support measures and put in place reasonable adjustments. In addition, HR has regular monthly case management meetings to ensure all sickness absence is captured and to continue to review best practice and seek out additional ways of driving down sickness absence.

We have also progressed a number of key pieces of work, in consultation with our Health and Safety and OWD colleagues, such as implementing a Health and Wellbeing policy, introducing online and classroom based activities such as personal resilience, managing conflict and mental wellbeing sessions. In addition, all employees can access Occupational Health support and the Employee Assistance Programme for counselling and advice. Our policies also offer a range of other support such as flexible working, special leave and family friendly policies that can allow time off from work through other routes. We have also made improvements in return to work processes.

Managing attendance is an area that we will continue to focus on with both the Partnership Forum and the Health and Safety Committee to further consider a range of supportive interventions aimed at improving attendance.

6.0 RECRUITMENT ACTIVITY

While the Care Inspectorate continues to take a balanced approach to recruitment, actively seeking to fill job openings internally whenever possible, it is sometimes necessary to bring in specific skills and experience from the external labour market, especially to fill our Inspector vacancies.

In 2018/19 the following CI recruitment activity took place:

- There were 59 planned recruitment campaigns (including 24 internal only campaigns). This included senior posts including the Chief Executive, Interim Executive Director of Strategy and Improvement and a Chief Inspector campaign. This also included three high volume Inspector campaigns.
- Of the 59 campaigns, 34 were temporary posts and 25 were permanent posts. 46% of vacancies were in the Strategy and Improvement Directorate, 27% in Scrutiny and Assurance and 27% in Corporate and Customer Services.
- Compared with previous years, there was an increased demand for temporary positions. This was due to a number of factors including senior appointments, having a knock-on effect and requirement for 'acting up' arrangements; projects such as Digital Transformation and CAPA and our career pathways projects in the Inspection directorate.

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- We have 27 external new starts and 38 internal promotions/secondments.
- 711 applications were processed (including notes of interest and CVs) across the 59 campaigns, therefore the average number of applications per campaign was 12.05.

The recruitment process for Inspectors from the placing of the advert to the start date of the candidates can take between 12 and 20 weeks. Steps have already been taken to streamline the process and we expect a lower average time to be recorded for the current year. The anticipated timeline for the latest inspector campaign is 16 weeks. To reduce the timescales within the current campaign, positive actions have been taken to reduce areas identified as causing delay. This includes HR being more heavily involved in the shortlisting process, deadlines being set for each aspect of the timeline, candidate salaries to be discussed and disclosure forms to be completed during the assessment centre.

HR are committed to reviewing and redesigning our current approach to recruitment to ensure that we can identify and secure the best talent in a timely manner. HR are currently working with Service Managers in the Scrutiny and Assurance Directorate to evaluate our current inspector recruitment approach prior to the next campaign later in the year.

We continue to research best practice in terms of advertising such as using social media channels and the use of external review boards e.g. LinkedIn and Glassdoor to create a better understanding of our employer brand and reputation.

In the past 12 months we have undertaken or commenced work on some key actions as we strive to continuously improve our processes:

- Currently preparing a bank of pre-prepared advert, job profiles, person spec and job packs for key vacancies.
- Working with the internal communications team to establish a shared workflow to post vacancies on a timely basis which is planned and within each department's capacity.
- Working with the internal communications team to develop a recruitment microsite to increase the visibility of vacancies and to position ourselves as an employer of choice to attract best talent.
- Moving towards a value-based recruitment approach with a greater emphasis on our values in our adverts and throughout the recruitment process.
- Developed and piloted 'Interview Skills Workshops' across the organisation. The workshop is now a standing item on our Learning and Management system that all staff can book onto.
- Furthermore, we have signed up to the Disability Confident Scheme. The scheme supports employers to ensure our recruitment process is inclusive and accessible to all individuals who would be interested in applying for our vacancies.

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6.1 Recruitment of Inspectors

Approximately half of our workforce are Inspectors in our Scrutiny and Assurance Directorate. At the time of drafting this report (May 2019) our full-time equivalent (FTE) inspection establishment figures were as follows:

Inspection team	Vacancy as at May 2019	Preferred Candidate Identified – May*
Early Learning and Childcare	3.24	4
Criminal Justice and Young People	3	2
Adults	5.55	5
Complaints	1.77	1
Registration	0 (2.6 over budget)	0
Strategic Scrutiny	1 (on hold)	N/A
Total:	14.56 (inc 1 on hold)	12

* Preferred candidates are those who have been offered a conditional post with the Care Inspectorate following an assessment centre. Generally, it takes around 6-12 weeks for a candidate to commence in position due to pre-employment checks and notice periods. Therefore, it is anticipated that the 12 candidates identified will commence in July/August 2019.

The table above illustrates the current position as at May 2019. Following the appointments of the 12 preferred candidates there are 2.5 vacancies which have not been filled. This vacancy figure will increase through staff turnover until the next recruitment exercise concludes.

The Scrutiny and Assurance Directorate hold a monthly capacity meeting with members of the HR, Finance and Planning teams to identify factors that may affect capacity and ascertain the current vacancy position against the establishment control procedure. The aim of the meeting is to project future vacancies and thus minimise the risk of capacity issues affecting our ability to meet the annual inspection plan.

Following the most recent campaign, we hold a reserve list of 12 Adults and 5 ELC candidates who were successful at assessment centre but for whom we had no available position due to geographical reasons. This means that if there are any suitable vacancies prior to the next campaign, managers can consider the reserve list to identify a suitable candidate if possible. Candidates are live on the reserve list for a period of 12 months following the assessment centre.

We also hold a locum bank of Inspectors. Currently there are 9 locums available across the country. Locums are ex-inspectors with a zero hours contract who can be called upon where there is a need to undertake inspections due to a vacancy position.

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We are working on a new performance measure to assess how efficiently we are filling vacancies. This will help us to identify where there are problems with our process.

7.0 YOUTH EMPLOYMENT – MODERN APPRENTICES

There are currently four modern apprentices within the Care Inspectorate in the HR, Finance and Business Support functions who are employed on fixed term contracts. As part of their employment with us our Modern Apprentices are also undertaking an SVQ qualification.

Our work with Modern Apprentices supports our commitment to youth employment in supporting young people and helping them develop in the world of work.

8.0 EMPLOYEE RELATIONS

As was the case in previous years, in 2018-19 we had very small numbers of formal cases. During 2018-19, the following employee relations cases took place:

2 Disciplinary cases – 1 formal and 1 informal case.

2 Grievances – 1 formal and 1 informal case.

3 Dignity at Work cases – 2 cases were dealt with informally and 1 case were dealt with formally.

Capability (Performance) – 11 informal cases and 1 formal case ongoing

9.0 TERMS AND CONDITIONS OF EMPLOYMENT

We intend to review our pay and grading structure during 2019-20 as there are concerns about the competitiveness of the pay grades for our inspector posts. We are seeking to carry out this review in conjunction with Scottish Government HR colleagues.

Pay is only one element of the overall benefit package and Appendix 1 outlines other key elements.

10.0 HEALTHY WORKING LIVES (HWL)

The Care Inspectorate successfully maintained the HWL Gold Award in February 2019. We require to focus on one of the criteria for maintaining the award in 2020 and have chosen the topic of equality and diversity.

Throughout 2018/19 we carried out a number of wellbeing activities and information campaigns and promotions ranging from flu vaccination, a mentally healthy workplace training session, skin safety and the 'Walk all over cancer' promotion amongst a host of other activities and campaigns.

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Staff support for all HWL events or information campaigns is very good. In every single event, information campaign or activity, there has been excellent employee participation and engagement.

11.0 RESOURCE IMPLICATIONS

There are no additional resource implications as a result of this report and a further report will be issued to the Care Inspectorate Executive Group and the SSSC Executive Management Team later this year detailing the proposed HR team structure to meet the shared services model on a permanent basis.

12.0 BENEFITS FOR PEOPLE WHO EXPERIENCE CARE

It is important that the organisation is in good shape and our employees are well supported and equipped to deliver their roles. A committed and well skilled workforce will deliver a high-quality service which will in turn benefit people who use care services and their carers.

13.0 POLICY CONSIDERATIONS

In its Budget 2019/20 document, the Scottish Government said it faces a 'very challenging overall budget position', placing its financial considerations within the context of a reduced block grant from Westminster, uncertainty surrounding the relationship between the UK and the EU, and challenges faced by the Scottish economy. This report, in particular issues around recruitment and pay, should be considered within this context.

It is also notable that, through policy drivers such as the expansion of early learning and childcare, and developments relating to the National Health and Social Care Workforce Plan and the Health and Social Care (Staffing) (Scotland) Bill, there is an increased focus on recruitment and retention across the social care sector

14.0 CONCLUSION

This report highlights some of the key HR metrics for the Care Inspectorate. Members are asked to note the risks from the age profile and also the planned workforce planning activity being undertaken to address this as described in the Strategic Risk Register.

There has been considerable progress made to support the organisation and the workforce through a shared service approach and it is anticipated that next year's annual report will be prepared for both the Care Inspectorate and the SSSC.

Looking ahead, HR plan to continue to transform the way we recruit, continue to proactively manage employee relation cases and provide training and guidance to line managers to deal with people related issues.

The team will continue to improve and enhance its current high-quality service and

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will continue to revisit how things are done and explore or new digital technology options that can help create efficiencies and streamline processes.

LIST OF APPENDICES

Appendix 1 - Employee Benefits

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