

REPORT TO:	Appointments Committee 27th April 2022
SUBJECT:	Croydon Council's Draft People & Cultural Transformation Strategy 2022-2025
LEAD OFFICER:	Dean Shoesmith, Chief People Officer
CABINET MEMBER:	Cllr Callton Young, Cabinet member for Resources and Financial governance
WARDS:	All
PUBLIC/EXEMPT:	Public

SUMMARY OF REPORT: This report describes the work undertaken to date on the cultural transformation required by the Croydon Renewal and Improvement Plan.

It also outlines plans to continue to change the culture of the organisation to become a council that delivers good quality services in an open and responsive way to residents, underpinned by strong financial disciplines and effective governance.

COUNCIL PRIORITIES 2020-2024

The People and Cultural Transformation Strategy responds to ensuring:

- Croydon has an inclusive, agile, responsive, capable and accountable workforce.
- Our values and expected behaviours are lived and consistently demonstrated.
- The Council is a learning organisation, where each person assumes responsibility for their development and personal growth.
- Croydon Council is an actively anti-racist council, which celebrates equality, diversity and inclusion as a strength and uses this approach to inform the delivery of services.
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Residents have an equal opportunity to benefit from the opportunities that living and working in this borough have to offer.

FINANCIAL IMPACT: The strategy will be delivered by the Assistant Chief Executive's Directorate and by the Human Resources and Organisation Development Division.

The corporate Learning and Development budget and wherever viable, the apprenticeship levy funds will be used to pay for development programmes.

RECOMMENDATIONS:

The Appointments Committee is asked to; -

- Note the outline draft People and Cultural Transformation Strategy at the appendix, the work done to date and offer views and consideration,
- To agree the report and appendix as a draft,
- To note the work that will commence in May 2022 with all managers and staff on the results of the November 2021 staff survey, the values refresh and the consideration of this draft strategy,
- To agree that the outcome of that work will return to this committee with the final strategy for member consideration and agreement.
- To note that all managers will adopt a personal performance indicator as part of this year's performance management system to develop the talent of their direct reports and teams.

1.Context

1.1 Croydon Council, along with the rest of the public sector and all other local authorities, is facing unprecedented change and instability because of the COVID pandemic. This has caused many councils to rethink their operating models and ways of working so that they are able to deal with the impact of COVID 19 on where staff work, and how they work.

1.2 Croydon Council also faces additional challenges following the issuing of two section 114 notices which resulted in the Council seeking a Capitalisation Direction from Government, The Council has developed the Croydon Renewal and Improvement Plan which focuses on a programme to improve governance, manage resources effectively and restore confidence from staff and residents. It was based on that plan, that the Government agreed the extraordinary financial support for the Council, and not to appoint commissioners but instead to appoint the Improvement and Assurance Panel whose remit is to advise, support and challenge the Council as it implements the Croydon Renewal and Improvement Plan.

1.3 Over the last 18 months, the Council has had to respond to two Reports in the Public Interest, two Section 114 notices, a non-statutory rapid review / government

intervention report, manage a significant multi-year savings programme and prepare for a fundamental change in governance to an elected Mayor model. Culture change in the organisation's workforce has been identified as a key deliverable to support all of this activity.

- 1.4 The Council is on track to end the 2021/22 year on budget and deliver the £44.7m savings agreed. Full Council has agreed the budget for 2022/23 which incorporates a further £55m savings in the budget. The Council's new senior management structure is now largely in place, with the appointment of most new permanent senior officers, and work continues to strengthen the governance practice and internal control systems.
- 1.5 In spite of the impacts of organisational change, preparation for an elected mayor, uncertainty around hybrid working, and the loss of some talent in all areas, staff have remained resilient and have continued to engage through staff webinars, workshops, and road shows with up to 1,000 attendees in some webinars.
- 1.6 The importance of changing the Council's culture has been raised by the Improvement and Assurance Panel in a number of their quarterly letters to the Secretary of State. In its fourth report the IAP wrote the following in their report "A Cultural Transformation Framework has been produced that addresses organisational and cultural transformation and seeks to put staff engagement at the heart of it. There is enthusiasm and energy evident in support of this. A range of tasks are being undertaken which together represent a programme for change which is comprehensive in scope, well-focused and founded on practical and performance-related outcome"
- 1.7 Both the Scrutiny and Overview Committee and GPAC have also commented upon the importance of cultural change in the Council's improvement and its essential role in helping the Council reduce many of its risks on the corporate risk register. Culture change continues to be a high risk for the Council and the approach that the people and culture transformation proposes is predicated on high staff engagement, behavioural change and aligned performance management framework.

The Local Government Association have also lent their support to the development of this strategy and the importance of changing the culture of the council.
- 1.8 The Croydon Renewal and Improvement Plan, which was submitted to the Department of Levelling Up, Housing and Communities (MHCLG as was) made very clear the importance of the cultural change of Croydon Council to delivering the financially sustainable and effectively governed council by March 2024. Work has been underway over the last year to develop the strategy into a work programme for member review and consideration.
- 1.9 A new climate for change has been set to build the future for the organisation with a genuine readiness to move forward. Much of the infrastructure and pre-existing

ways of working need to be fixed or improved upon and our cultural transformation programme sets out a path that is already beginning to deliver improvements.

2.0 Where is the Council now?

- 2.1 The Council has acknowledged that it needs to change how it delivers and universally put the residents of Croydon first. The draft People and Cultural Transformation Strategy sets out the workforce priorities over the next four years to achieve that. It outlines how the Council will recruit, manage, and invest in staff to achieve the transformation required by the Croydon Renewal and Improvement Plan. In doing this the Council hopes to rebuild trust with residents by being much more responsive to their needs.
- 2.2 The Council's workforce needs to be supported to be able to operate in a more unpredictable, and complex environment while preparing to effectively support the new Mayoral governance model in May 2022. The 2020/21 financial and governance crisis, plus the effects of working through the pandemic and subsequent transition to hybrid ways of working adds another layer of complexity for the workforce and how to achieve cultural change.
- 2.3 The Croydon Renewal and Improvement Plan punctuates the importance of staff engagement and voice in shaping our future environment. It commits to creating an environment and platforms which are conducive to staff involvement ensuring contributions to the development of future services and how they are deployed. The ability to achieve true inclusion of staff in co-creating the future is a key control mechanism to reducing the risk of failure in achieving a successful transformation.
- 2.4 The over-arching aims of the people and cultural transformation strategy are to:
- Create a collaborative, inclusive and creative environment, which allows talent to flourish and builds our workforce capacity to meet our ambitions.
 - Create platforms where everyone can speak up, speak out and have a voice in the future direction of the organisation
 - Ensure fairness and justice feel real and where bullying, harassment and discrimination will not be tolerated
 - Be actively anti-racist.
- 2.5 The framework features seven interdependent priorities which will inform the cultural transformation: -
- I. **Strengthen leadership and management capabilities** – developing mindsets and behaviours aligned with the values.
 - II. **Build an equality driven, diverse and inclusive workplace** - creating a healthier and fairer workplace, where staff can thrive and are engaged and motivated to deliver positive outcomes for residents.

- III. **Prioritise the health, wellbeing, and resilience of staff** - enabling staff to learn and heal from the experience of a council in crisis and the impact of the COVID pandemic.
- IV. **Build skills and capabilities and optimise performance** - responding to current and future workforce skills and capability challenges at all levels and creating a learning culture with an aligned performance management system that informs continuous improvement.
- V. **Acquire and retain talent** - developing a recognition culture, paying attention to line management development of their teams' skills and abilities, and prioritising staff health and wellbeing
- VI. **Establish a 'Total' pay and reward offer** to ensure the council makes a positive total employment proposition, enabling effective talent recruitment and retention. Any total rewards statement will need to comply with the Council's prevailing Pay Policy statement and will be subject to the Council's job evaluation schemes, Hay and GLPC, and the current national pay terms and conditions from the NJC for Local Government Services, and JNC for Local Authority Chief Executives and Chief Officers
- VII. **Establish a values-based employer brand** to ensure the council is able to compete effectively in the employment market, attracts talent based on shared values and puts residents at the heart of what we do.

- 2.6 The draft People and Cultural Transformation Strategy lays out how the Council will develop a different way of working that enables it to lead change more effectively in a hybrid working environment, develop future leaders, improve the culture and improve how services are delivered to residents. Transformation means that the look and feel of the council will be different year on year as the council moves closer to fully delivering the strategy.
- 2.7 Leadership drives culture change, therefore, the stability of the Mayor with a 4 year period in office will fundamentally support the Council's transformation over the period of this strategy. In addition, adopting a distributive staff / manager leadership model where everyone, irrespective of role co-creates and co-delivers the change will accelerate the rate of change, as the deliverers of change are also the recipients of it.
- 2.8 This approach will require staff to identify and 'let go' of some of the past ways of doing things to make a way for new practices and behaviours that will help create a sustainable future. The starting point is through staff engagement. Conversations led by trained volunteer Croydon council staff will set the path of organisational and personal healing and rebuilding trust where every person is valued.

Many Croydon staff have worked at the Council for many years. Many Croydon staff live in the borough. What the Council has been through over the last 18 months has affected all staff as well as all residents of the borough. It is a very

personal thing for many of the Council's staff. It is important to recognise that not everything that the Council has done, has been criticised in external reports. However, it would be understandable if staff felt that their life's work has been criticised and made to feel of little value. The spotlight and personal criticism on more junior staff in social media and the continued criticism of the council has also made it more difficult to recruit and retain staff to help with capacity and delivery of better services. The culture change programme will be sensitive to staff feelings and this context.

- 2.9 Building managers' confidence and personal and professional capability will be pivotal to increasing levels of staff engagement, health and wellbeing, and resilience. They will play a key role in leading the transformation through role modelling the council's values.

3.0 Next steps

- 3.1 Following the election of the Mayor in May 2022, a series of staff engagements are due to take place which will seek their views on the November 2021 staff survey results, the council's values refresh and the strategy framework.
- 3.2 These exercises will begin with a series of management engagement sessions starting on the 19th of May 2022 with the Corporate Management Team, Directors and Heads of Services. It is hoped that the Mayor will be available to attend the event and that the staff leadership team will hear from the mayor for the first time about their expectations for the team and the council.
- 3.3 Work has already been underway over the last year laying the foundations for this programme: -
- Establishment of virtual 'tea break' conversations led by frontline networks or staff, where CMT and senior managers engage in conversations over difficult and sensitive subjects and listen to staff concerns and respond with agreed actions
 - Establishment of a 'Guardians' programme where trained volunteer staff provide confidential listening support to address workplace health and wellbeing and cultural issues and signpost, including bullying.
 - Creation and operation of an Equality, Diversity and Inclusion board co-chaired by the Chief Executive and Head of Organisation Development and Learning.
 - Refresh of appraisal system with EDI and talent development objectives.

- Partnering with an external OD expert to co-deliver council-wide staff engagement workshops to heal, restore and rebuild the council's culture and behaviours to enable better services for residents.
- Proposal to launch refreshed leadership programmes and positive action leadership programmes, utilising the apprenticeship levy where viable
- Planned 360-degree appraisal for leadership roles to reflect and support the leadership development framework
- Development and extension of a mandatory training framework which includes unconscious bias and equality and diversity learning
- Development of a hybrid induction and pre-induction process

3.4 Noting the report, the draft outline of the People and Cultural Transformation Strategy at the appendix, work done to date it is proposed that the recommendations stated at the beginning of this report should be brought back to this committee for sign off.

3.5 Service Plans are being drawn up that set out how the teams will deliver their services, and these will form the basis of objective setting for staff using clear and robust key sets of metrics that underpin accountability. All managers will be required to adopt a personal performance indicator for the development of talent in their teams.

3.6 The Council will also need to determine how its' progress is benchmarked, which may include options for external validation and assessment, or bespoke benchmarking against key measures. The Local Government Association will be approached for their support in this as will London Councils.

4.0 Conclusion

4.1 The Council's ambition is to become an inclusive and financially sustainable organisation, delivering good outcomes and responding to Croydon residents in an open and transparent way.

4.2 The strategy will reflect the new skills the current and future managers will need to work in a highly diverse organisation, in a highly diverse borough, and excel at managing difference.

4.3 The strategy is also about the broader employment promise to our current and future staff to ensure we retain and attract the right workforce to ensure services for the residents of Croydon improve.

5. FINANCIAL IMPACT

Approved by: *Nish Popat for the Director of Finance*

6 LEGAL CONSIDERATIONS

- 5.1 The Head of Litigation and Corporate Law comments on behalf of the interim Director of Legal Services that the basis of the core ethical standards expected of all public office holders including staff and councillors are set out within the 'Nolan Principles of Public Life' of Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership <https://www.gov.uk/government/publications/the-7-principles-of-public-life>.
- 5.2 Separately everyone employed directly or who works for or on behalf of the Council including those employed directly on a permanent, temporary or casual basis and those employed indirectly, including agency staff and consultants are bound by the Officer Code of Conduct. The Code also applies to those who are external secondees and office holders. The Code of Conduct alongside the Council's Values reflects the culture of the Council and sets out clear expectations in terms of how staff carry out their work, behave, respect and treat their colleagues and members of the public. Compliance with the Code of Conduct is mandatory, and breaches may be treated as a disciplinary offence leading to disciplinary action.
- 5.3 The Equality Act 2010 imposes positive duties upon the Council to promote equality and to eliminate unlawful discrimination and harassment and as such officers are also expected to uphold the legal requirements imposed within the Equality Act 2010 section 149 to (a) eliminate discrimination, harassment victimisation and any other conduct that is prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.4 In addition, the HR Handbook contains a range of other policies and procedures regulating amongst other things staff behaviour, conduct and performance management.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the interim Director of Legal Services and Deputy Monitoring Officer.

6 HUMAN RESOURCES IMPACT

- 6.1 The human resources impact is dealt with in the main body of the report

6.2 Approved by: Dean Shoesmith, Chief People Officer

7 **EQUALITIES IMPACT**

7.1 The equalities impact is dealt with in the main body of the report

7.2 Approved by: Dean Shoesmith, Chief People Officer

8 **DATA PROTECTION IMPLICATIONS**

8.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

8.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

The report will not require any processing of personal data

8.3 Approved by; Dean Shoesmith, Chief People Officer

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APPENDICES TO THIS REPORT

Appendix 1 -Draft 1 outline of the people and cultural transformation strategy as reflected in the Croydon *renewal plan*