

BLACKWOOD PEOPLE STRATEGY 2018-2020

AUGUST 2018

Table of Contents

SECTION 1 – EXECUTIVE SUMMARY	3
SECTION 2 - INTRODUCTION	4
SECTION 3 – OUR CONTEXT	6
BUSINESS PLAN ASSUMPTIONS FOR THE PEOPLE STRATEGY	6
ORGANISATIONAL PROFILE	6
ORGANISATIONAL DEVELOPMENT TO DATE	7
ORGANISATIONAL DEVELOPMENT FOCUS DURING 2018/19	8
SECTION 4 – OUR KEY PRIORITIES	9
SECTION 5 – PEOPLE STRATEGY IMPLEMENTATION PLAN	11
APPENDICES	17
APPENDIX 1 – BLACKWOOD MAP – WORKFORCE LOCATION	13
APPENDIX 2 – STRATEGIC RISKS – PEOPLE	14
APPENDIX 3 – STRATEGIC KEY PERFORMANCE INDICATORS	15

SECTION 1 – EXECUTIVE SUMMARY

The People Strategy forms the fourth strategic pillar of Blackwood's Business Plan, along with the Asset Management, Housing and Care Strategies. The updated Strategy for 2018-2020 has been developed to address our current challenges to Blackwood as an employer of choice as we embark on the next stage of delivering our overall Strategy and Business Plan.

It recognises our major achievements - implementing the Scottish Living Wage, renewing our pay structure, delivering leadership training, implementing a consistent staffing structure within care, and growing our care at home services by over 2000 hours per week, with an additional 250 employees.

We have significant opportunities to expand the Blackwood Offer to support independent living. Equally, we face new challenges as a growing and complex housing and care organisation, including high turnover and absence and recruiting skilled and experienced employees. The revised People Strategy 2018 – 20 aims to recalibrate our priorities and resources within this significant contextual shift.

The People Strategy has identified 4 priorities which support this goal. They are:

Build our Capacity: To support organisational growth and maximise our capacity and resources through organisational design, a targeted approach to Recruitment & Retention and continuous improvement against our Key Performance Indicators

Develop our Capability: To develop and equip our workforce with the skills and capabilities required now and for our future as a larger and more complex organisation

Grow our Leadership & Management Skills and Capability: To Lead our transition to a larger more agile organisation by developing a Leadership & Management culture which supports progression, innovation and development

Manage Performance and Engagement: To strengthen the connection between personal and organisational performance by improving the quality and completion levels of our PDP process and embedding our Values, Competency and Strategic targets within this process

This Strategy demonstrates our absolute commitment to making a very real and tangible difference to the way in which we work. The Implementation Plan in section 5 provides a clear and structured framework for change, within identified timescales and against specific targets for KPI improvement. While this plan will develop further over time, our accountability to deliver these results is clearly stated and will remain a constant as the People Strategy continues to evolve.

SECTION 2 - INTRODUCTION

Enabling people to live independently in affordable housing is at the heart of Blackwood's strategic planning. It is fundamental to our purpose and ingrained in our culture and values.

Blackwood's current Strategy was approved in early 2015 backed up by the 2015-2020 Business Plan. The Strategy aimed to develop a new 'Blackwood Offer' which responded to the external context of a greater need for highly accessible homes, and greater demand for care and support services, while also responding to the challenge of reducing public finances and major change in how services were being commissioned.

The Strategy set out two themes of 'providing value and quality for customers', and 'investing in innovation'. The first theme related to ensuring we focused on how we deliver our everyday services, the second related to how we could find new ways of supporting people to live independently.

The purpose of our Strategy is to achieve a sustainable and unique set of services over a period of five years, where, for example, we would see our overheads reduce proportionally from 14.5% to less than 10% of total turnover, whilst also ensuring that our Care Services and Housing Services would be financially self-sustaining.

Since 2015 we have developed the 'Offer' by:

- Demonstrating our new, highly accessible, standard in the Blackwood House in Dundee, along with our Design Guide, and our new Development Plan.
- Implementing a major, rolling three-year programme of planned maintenance in our existing homes to increase customer satisfaction and to maintain the value in our asset base.
- Testing, and now mainstreaming, CleverCogs, as our digital connection with customers and staff, dramatically changing how we work.
- Growing our Care services in key areas across the country.
- Renewing our approach to engaging with customers.

These products and services were backed up by three specific sub-strategies in Asset Management, Housing, and Care.

The People Strategy formed the fourth strategic pillar approved by the Board in 2015 and developed over the following two years. Much of what we had to do in the first few years of the People Strategy related to:

- (a) demonstrating the Board's values as an employer, albeit within a challenging financial environment, and
- (b) making Blackwood competitive in the sectors we operate within.

The outcomes from this stage of the People Strategy are that we:

- Became a Scottish Living Wage Employer
- Renewed our pay structure
- Implemented a consistent Care Staffing structure
- Created scope for pay awards so that we remain competitive
- Implemented an extensive Learning and Development Plan
- Met the auto-enrolment requirements for pensions

We also saw our workforce grow from around 250 people in 2014 to around 500 in the current year, through our targeted growth in new business.

Our Silver Investors in People accreditation combined with our recent very positive Employee Survey results give us confidence that our people are engaged and care about Blackwood's purpose.

Now that we are midway through the current Strategy period, we are experienced in the challenges and risks we face as a growing and complex business. This is reflected in our new Development Plan, in our increased level of mobile and digital working, and specifically in current challenges in management and turnover of Care staff. Our focus now is on ensuring sustainability, and action on these challenges goes hand in hand with strategic decisions on where we can most successfully operate.

Our organisational values are central to our approach to employee engagement and will continue to guide all prioritisation and decision-making relating to the People Strategy. We continue to work with Leaders and Managers to engage and inspire current and prospective colleague, further developing our working environment where equality, recognition, diversity and inclusion are fundamental to our culture.

As a significant employer making a positive contribution to the economy and community in many areas of Scotland, we continue to raise our profile as an employer of choice. In the current financial and economic environment, we face considerable challenges in achieving this goal, with our dispersed geography adding another dimension as we recruit, retain, and manage turnover in varying and changing labour markets across Scotland. This strategy will contribute to the enhancement of the 'Blackwood Employee Offer' whilst helping us to manage the rising costs and low margins we face.

SECTION 3 - OUR CONTEXT

BUSINESS PLAN ASSUMPTIONS FOR THE PEOPLE STRATEGY

By 2020/21 our annual People budget is projected to be around £14.5M, up from £11M in the current year. This is around 69% of our total projected turnover for

2020/21, rising from around 60% currently, and demonstrates how critical our people are to our business.

The Business Plan assumptions allow for Scottish Living Wage (SLW) to continue, for small annual Cost of Living increases, incremental increases and 4% pension commitments. The affordability of these assumptions, balanced alongside the need to remain competitive in the external environment will remain part of the Board's annual decisions.

In the current year, we have allocated almost £300k to Learning and Development, including the programme associated with rolling out CleverCogs. This level of investment in Learning and Development continues over the following years.

Our assumptions on reducing overheads include benefits from our investment in CleverCogs and in further back-office automation of systems and processes, so that we become more efficient as we grow. Our Learning and Development programme mirrors this as we skill up our people in digital services. This signals our biggest change programme over the next few years.

ORGANISATIONAL PROFILE

We employ around 500 people currently. Around 85% of our employees deliver Care services, with 7% delivering Housing, Assets and Innovation services, and the remainder are our corporate teams.

The majority of our workforce is female, and our age profile shows that around half of the workforce is under 40 years of age and half over 40.

Our workforce consists of the following structure:

- Our corporate teams based in Head Office, include our functions of HR, Finance, Business Solutions, and Business Services, along with our Executive team
- A regional administrative structure, with 3 regions, each headed by a Regional Manager
- 3 local housing teams each serving tenants in a different region
- 8 major locally based teams of care and support staff, and their administrative teams, delivering care in our care homes and to customers in their own homes
- Our Assets teams based in Head Office supporting each region as well as managing our customer service for repairs and maintenance
- Our small Innovation team, which leads our digital innovation programme.

The map in **Appendix 1** shows the distribution of our teams across Scotland.

ORGANISATIONAL DEVELOPMENT TO DATE

CleverCogs

In 2015 we invested in innovation to fundamentally change how we work by developing CleverCogs. This has led to our roll-out plan for CleverCogs which will be delivered over the next two years. It enables modernised employee and customer communication, where each employee has a mobile device with a Blackwood portal, and all key functions can be enabled and accessed via this. Equally, our customers will all have a home hub which connects them to Blackwood's housing and care services as well as to the wider world. This development signals our greatest change lever, with the aims of increased business efficiency and transforming customer choice to enable optimum independence. Our task now is to manage the change required to fully embed a new way of working.

The Blackwood House and Development Plan

In the last three years, we increased our development capabilities and capacity and are now prepared to manage the risk presented by our Development Plan and programme. We initially restructured to create a Director post in 2015 and invested in consultancy support to lead and manage the early stage of our small demonstration project in Dundee for the Blackwood House. As the Board approved the Development Plan we appointed experienced employees at manager and officer level to take the programme ahead.

Financial Planning and Management

During 2017, we replaced our previous Head of Finance post with a Director level post and recruited a Finance Manager. We will be completing the Finance Team review by October 2018. This is an example of where we responded to our growing business by strengthening our capabilities and capacity so that the Board, our customers, our stakeholders, lenders, and our Regulators can be assured that we are proactively managing risk.

Our Innovation Team

Our Innovation team was created through the integration of our separate Blackwood Foundation in 2014. Since then we have brought in significant external funds and created opportunities for engagement at university and government levels, as well as with other entrepreneurial organisations, to work on our innovation programme and culture to help people live independently.

Care Staffing Model

In 2016 we undertook a major exercise to create a consistent new model of staffing to deliver care in our 8 care services across Scotland. This followed the establishment of a New Business Manager post and our success in winning tenders. It was also driven by our need to become a Scottish Living Wage Employer. Having completed

the restructure, we began a training and development programme which continues in the next stage of the People Strategy.

ORGANISATIONAL DEVELOPMENT FOCUS DURING 2018/19

The Housing Strategy

This year the role of our Housing Officers will evolve so that we can engage more directly with customers, with an increased focus on helping people to live independently. CleverCogs, and better interoperability with our back-office systems, is pivotal to achieving this as more of our customers will be able to request core landlord services online (such as reporting a repair) during 2018/19. The aim is to free officer time to engage and assist customers with the issues which support them to live independently.

Our Care Strategy

Our current focus in our Care services is to achieve sustainable growth. Given the very fine margins in the commissioning rates across Scotland this will continue to be a challenging business. Our key task during 2018/19 is to address our high turnover rates, focusing on specific areas and services and working out how to change this in line with our targets. This is an important part of our implementation plan.

Customer Service

During 2018/19 we will review our Customer Service model and design a new model which fits with our roll-out for CleverCogs and our Customer Engagement Plan. The aim is to modernise our consistency and efficiency of response across the country. This will come back to Services Committee for further discussion. The staffing implications will be part of that discussion.

Neighbourhood working

We also aim to promote a neighbourhood business model for bringing all our services and assets together at that level. Within that we will consider the People Strategy implications for our current structures, and on our capacity and capabilities.

Leadership and Management

The next stage of our overall Strategy requires major management and leadership capabilities. Moving from managing a smaller organisation, to one with a £20M turnover, growing treasury management, investment in our CleverCogs brand and innovation pipeline, and 750 employees in locations across Scotland requires significant confidence by the Board in our senior people and our support arrangements. Because of this our focus on Management Competencies, Leadership Development and Resource management skills is more important than ever.

SECTION 4 - OUR KEY PRIORITIES

Having outlined our wider organisation ambitions for 2018 and beyond, this section specifies the key priorities for our Implementation Plan. The four key areas of priorities are:

- **Build Our Capacity**
- **Develop Our Capability**
- **Grow Our Leadership & Management Skills & Capability**
- **Manage Performance and Engagement**

Build Our Capacity

Based on current management information, we know that turnover and absence levels are having a direct, adverse impact on our ability to grow our workforce. We have evidence from our Edinburgh Care Services over the past 4-6 months that by focussing our energy and resources on improving our performance in relation to the following key factors, we will achieve the positive impact we envisage for increased capacity and improved performance across Blackwood:

1. Line Management
2. Performance Management (PDP and Supervision)
3. Absence Management
4. Shift Patterns
5. Rota Management
6. Learning & Development Opportunities

The common theme running throughout our work on Building Our Capacity is a focus upon how we can tailor our approach to address local and regional issues, use technology, innovation and smarter working systems to release capacity and embed 'smarter working' as part of the Blackwood Employee Offer and the way we work.

Develop Our Capability

By establishing a new programme of Learning and Development and proactively addressing key skills gaps, we will deliver the right development opportunities to meet our needs as a growing and evolving organisation.

By enhancing technical and digital skills across all services and roles, we will embed CleverCogs and thereby facilitate greater independence, communication and choice in how our customers and employees access our systems and services. Integration of technology into our Customer Services Model will also be central to our success.

Grow Our Leadership and Management Skills & Capability

Leadership and Management Capability is widely accepted as a primary influencer for employee retention, performance and engagement. Having launched a “Leadership Live” event on 20th June, we will engage with all Blackwood Managers and Leaders to establish that which will make the greatest difference to their confidence, capability and capacity to be the best they can be in their role.

In the context of our Business Strategy, the role of Leaders and Managers in Blackwood will change significantly in the coming years and it is essential that we are organised to succeed, structured to deliver and in tune with our people. As part of the People Strategy Implementation Plan, we will provide a tailored framework for leadership development which facilitates, supports and delivers this transition.

Manage Performance & Engagement

Excellent Performance Management begins with high quality 1 to 1 conversations which are fully aligned with our Values, Competencies, KPIs and Vision. We will strengthen the connection between personal and organisational performance and equip our managers with the skills to embed high quality performance conversations into day-to-day activity, interactions and behaviours.

It is now a commonly held principle that there is a direct and quantifiable relationship between excellent employee engagement and high levels of organisational performance. Building on the positive levels of engagement indicated by our 2017 Employee Survey and our feedback from Investors in People, we will develop the ways in which we engage and involve colleagues in the context of our growth journey.

SECTION 5 - PEOPLE STRATEGY IMPLEMENTATION PLAN

The table below provides a high-level overview of the activities and objectives contained with the People Strategy Implementation Plan under each of the four key priorities. For each initiative we have identified target timescales and relevant baseline and target % for the Performance Indicators which will be used to track the impact of each piece of work.

THEME & INTIATIVE	ACTIVITY / OBJECTIVE	INITIATE	COMPLETE	KPI	BASELINE %	TARGET %
BUILD OUR CAPACITY: Maximise our capacity and resources through organisational design which is aligned to our goals and priorities and develop working practices which promote and reward efficiency, effectiveness and continuous improvement						
RECRUITMENT & RETENTION PLAN	Develop a consolidated Recruitment & Retention Action Plan	Jan-18	May-19	Turnover Absence Retention Growth in Care Home Hrs Critical skills gaps	30% 7.6% 70% 9% # TBC	26% 6% 80% 25% 0
	Review & Improve Reward & Recognition mechanisms	Sep-18	Apr-19			
	Include Values & Competency framework in our recruitment and selection process	Aug-18	Nov-18			
	Address Identified Critical Skills Gaps	May-18	Rolling			
WORKFORCE PLANNING, EFFICIENCY & CONTINUOUS IMPROVEMENT	Develop a Blackwood Workforce Planning & Development Strategy	Oct-18	Apr-19	WFPS in place EMPLOYEE SURVEY Q'S: BW encourages innovation & new ideas	0% 79%	100% 85%
	Review how we are utilising technology and smarter working practices to release capacity and improve efficiency & performance	Nov-18	Rolling			
	Implement Succession Planning	Nov-18	Apr-19			
DEVELOP OUR CAPABILITY: Develop and equip our workforce with the skills and capability required now and as a result of our programme of change						
LEARNING & DEVELOPMENT	Establish a formal, rolling programme of Skills Development which is designed to meet our needs as a growing and evolving organisation	Jan-18	Oct-18	Turnover CleverCogs Utilisation EMPLOYEE SURVEY Q'S: I have every opportunity to grow my capabilities My work is interesting & uses my skills & capability	30% 15% 68% 86%	26% 21% 80% =>86%
	Provide Learning & Development opportunities which support the integration of technology into our Customer Service & Service Delivery Models (CleverCogs Priority)	Jan-18	Apr-19			
	Address Critical Skills Gaps (Train) - Financial Management - Innovation - Project & Change Management	May-18	Apr-19			
	Develop a Competency Framework which is aligned to our strategic plans (Values-based & Operational) [Also see PDR integration below]	Jan-18	Sep-18			

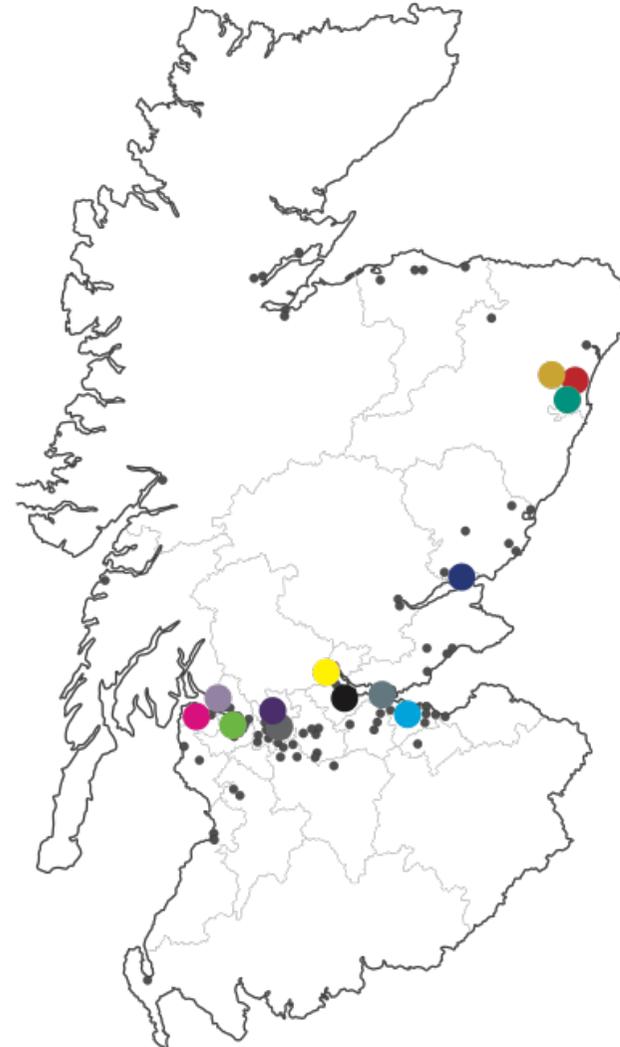
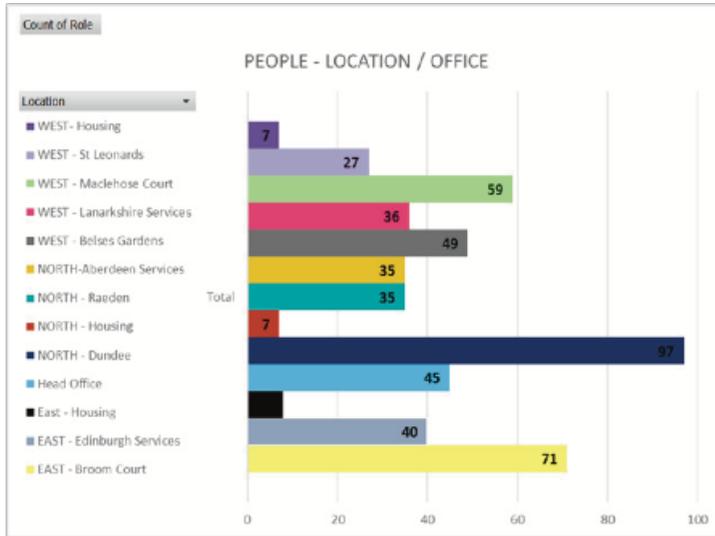
THEME & INTIATIVE	ACTIVITY / OBJECTIVE	INITIATE	COMPLETE	KPI	BASELINE %	TARGET %
GROW OUR LEADERSHIP & MANAGEMENT SKILLS & CAPABILITY: Lead our transition to a larger, more agile and sustainable organisation by demonstrating and nurturing excellent leadership which supports a coaching culture of empowered decision-making and opportunities for progression and development						
DESIGNED AND ORGANISED TO SUCCEED	Ensure our Operating Model, Organisational Structures and Job Designs are financially viable, sustainable and adaptable for our Growth & Development agenda. Focus on Care, Housing and Customer facing services but also considering implications for back-office and supporting teams.	Jan-18	Apr 19	% of PDP, supervision or 1:1 completed within Qtr	63%	80%
				Care Financial Sustainability Model	TBC%	100%
LEADERSHIP & MANAGEMENT DEVELOPMENT PROGRAMME	Establish a Leadership & Management Development Programme which is: - Innovative, relevant, informative and practical for the purposes of developing and inspiring our current and future Leaders & Managers - Tailored to suit the different levels of leadership and management in Blackwood, offering a range of learning opportunities and activities which are aligned to the Blackwood Employee Offer	Apr-18	Oct-18	EMPLOYEE SURVEY Q'S: BW clearly communicates its vision & objectives	78%	85%
				Blackwood has a plan for the future to ensure our continued success	72%	80%
MANAGE PERFORMANCE & ENGAGEMENT: Strengthen the connection between personal and organisational performance and equip our managers to embed performance conversations into day-to-day activity, interactions and behaviours						
PDP PROCESS REVIEW & IMPROVEMENT	Critically evaluate the current PDP process and system, incorporate colleague feedback and make improvements where necessary in order to improve completion rates, quality, strategic alignment and positive outcomes	Jul-18	Apr-19	% of PDP, supervision or 1:1 completed within Qtr	63%	80%
	integrate a Competency Framework (Values Based & Operational) into the PDP process (See linked to capability and Recruitment sections above)	Jul-18	Nov-18	EMPLOYEE SURVEY Q'S: BW clearly communicates its vision & objectives I have every opportunity to grow my capabilities	78% 68%	85% 80%
EMPLOYEE ENGAGEMENT	Communicate a clear direction and strategic focus to all employees ensuring that everyone understands their contribution to the organisation's ongoing success	Rolling	Rolling	Investors In People Status	Silver	Gold
	Actively promote a culture of mutual support and recognition between individuals and teams and adopt approaches to enable work/life balance	Rolling	Rolling	EMPLOYEE SURVEY Q'S: Blackwood is a great place to work I share the same values as my organisation	69% 87%	80% =>87%
	Achieve Investors In People Gold Status	Jun-18	Dec-18	Blackwood has a plan for the future to ensure our continued success	72%	80%

APPENDICES

APPENDIX 1 – BLACKWOOD MAP – WORKFORCE LOCATION



LEGEND



APPENDIX 2 – STRATEGIC RISKS - PEOPLE

STRATEGIC RISK THEME: PEOPLE

Retaining key staff and recruiting to key posts

<p>Possible Risk Areas <i>(from Operational Risk Registers)</i></p>	<ul style="list-style-type: none"> ▪ Staffing resources and skills not aligned to the needs of the organisation (HR01) ▪ Failing to recruit & retain skilled employees (HR02) ▪ Failing to comply with employment law or regulatory requirements (HR04) ▪ Failing to engage employees with the Vision, Values and Business Plan (HR03) ▪ Failing to manage our staffing resources (HC04) 	<p>Inherent Risk Rating <i>(without any controls)</i></p>	<p>Critical</p>			
<p>Controls in Place <i>(to help mitigate or prevent the risk)</i></p>	<ul style="list-style-type: none"> ▪ People Strategy ▪ Revised pay structure enabling increments and payment of the Scottish Living Wage ▪ Action plan in place to address areas for improvement from the 2017 employee survey ▪ Range of people policies with sign off sheets for staff ▪ Induction, training and PDPs/supervisions in place with staff 	<p>Residual Risk Rating <i>(with these current controls in place)</i></p>	<p>Medium</p>			
<p>Assurances for Board <i>(evidence that our controls are effective)</i></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50px; text-align: center; vertical-align: middle;">EXTERNAL</td> <td> <ul style="list-style-type: none"> ▪ Silver status for Investors in People and Investors in Young People ▪ Care Inspectorate feedback for Quality of Staffing – some lower grades this year <i>(negative assurance)</i> ▪ SSSC registration ▪ All actions from Internal Audit of Staffing now complete – confirmed in recent Follow Up Review ▪ Advice from Law at Work on people policies ▪ Trade Union ballots and policy checks ▪ Scottish Living Wage employer status </td> </tr> <tr> <td style="width: 50px; text-align: center; vertical-align: middle;">INTERNAL</td> <td> <ul style="list-style-type: none"> ▪ Six-monthly reporting to Board on People Strategy ▪ Quarterly reporting on key people indicators to Committee - significant improvement required in indicators relating to PDPs/supervisions, absence and turnover <i>(all negative assurances)</i> ▪ Positive results from the 2017 employee survey </td> </tr> </table>	EXTERNAL	<ul style="list-style-type: none"> ▪ Silver status for Investors in People and Investors in Young People ▪ Care Inspectorate feedback for Quality of Staffing – some lower grades this year <i>(negative assurance)</i> ▪ SSSC registration ▪ All actions from Internal Audit of Staffing now complete – confirmed in recent Follow Up Review ▪ Advice from Law at Work on people policies ▪ Trade Union ballots and policy checks ▪ Scottish Living Wage employer status 	INTERNAL	<ul style="list-style-type: none"> ▪ Six-monthly reporting to Board on People Strategy ▪ Quarterly reporting on key people indicators to Committee - significant improvement required in indicators relating to PDPs/supervisions, absence and turnover <i>(all negative assurances)</i> ▪ Positive results from the 2017 employee survey 	<p>Assurance Strength</p> <p>Limited</p> 
EXTERNAL	<ul style="list-style-type: none"> ▪ Silver status for Investors in People and Investors in Young People ▪ Care Inspectorate feedback for Quality of Staffing – some lower grades this year <i>(negative assurance)</i> ▪ SSSC registration ▪ All actions from Internal Audit of Staffing now complete – confirmed in recent Follow Up Review ▪ Advice from Law at Work on people policies ▪ Trade Union ballots and policy checks ▪ Scottish Living Wage employer status 					
INTERNAL	<ul style="list-style-type: none"> ▪ Six-monthly reporting to Board on People Strategy ▪ Quarterly reporting on key people indicators to Committee - significant improvement required in indicators relating to PDPs/supervisions, absence and turnover <i>(all negative assurances)</i> ▪ Positive results from the 2017 employee survey 					

APPENDIX 3 – STRATEGIC KEY PERFORMANCE INDICATORS

