

Finance and Resources Committee

2.00pm, Wednesday, 7 May 2014

Strategic Workforce Planning

Item number	7.5
Report number	
Executive	
Wards	All

Executive summary

This report provides an overview of the Council's approach to strategic workforce planning, current progress and future developments.

Links

Coalition pledges

Council outcomes [CO25](#)

Single Outcome Agreement

Strategic Workforce Planning

Recommendations

- 1.1 To agree the planned approach to develop and implement a comprehensive strategic workforce plan for the Council by 31 December 2014; and
- 1.2 To note a report outlining a revised strategic operating model will be reported to the Council in August 2014.

Background

- 2.1 The Director of Corporate Governance initiated a review of corporate and operational governance following his appointment in September 2011. This highlighted that a council-wide, cohesive approach to future change would provide a range of benefits going forwards. Organisational development was identified as a priority and the directorate structure was adjusted to focus on the development of a high performing workforce.
- 2.2 The Council's Best Value and Community Planning Audit, published by the Accounts Commission in May 2013, confirmed the need to improve workforce planning and that the Council had, at that stage, made limited progress. The report also confirmed that the Council was taking a range of steps to address this. In addition, Audit Scotland made a range of recommendations in November 2013 regarding Scotland's public sector workforce advising Council's to:
 - 2.2.1 forecast expected staff numbers, skills requirements and costs on a rolling three year basis;
 - 2.2.2 make better use of existing mechanisms, such as community planning partnerships to identify opportunities to share resources; and
 - 2.2.3 monitor the age of staff to prepare for peaks in departures resulting from retirements.
- 2.3 The challenges for the Council have been recognised and development of appropriate plans underway for some time. In line with the Council's budget engagement and 'total budget' approach, a dedicated working group was set up with elected members and officers to develop and agree future plans.
- 2.4 In October 2013, PwC also undertook a review of the Council's organisational development activity, providing support to enhance the workforce programme underway.

- 2.5 A new interim appointment of Head of Human Resources and Organisational Development was made in March 2014. The role will lead implementation of a full range of people initiatives across the Council.
- 2.6 This report provides an overview of the Council's approach to strategic workforce planning, progress to date and next steps.

Main report

Strategic architecture

- 3.1 A range of strategic development and business planning is being undertaken as the Council adapts to meet the challenges of increasing citizen and customer expectations in a climate of unprecedented financial constraints. A critical element of this process is the development and implementation of a refreshed strategic planning model including new elements such as budget, people and transformation strategies, with an enhanced service and business planning approach. This will be fully aligned to the Council's pledges, outcomes and future state analysis to ensure a successful direction in the short, medium and longer term.
- 3.2 The Council's 'People Strategy' will be a critical element to enable an increasingly efficient, effective and commercially aware organisation to continue to evolve. The strategy will ensure that there is an appropriate baseline and all workforce development is strategically aligned. Implementation of workforce planning is an important enabler to support the strategy to ensure the Council can continue to meet increasing levels of demand for services while driving improvement, transformation and culture shift.

Council staff profile

- 3.3 An analysis of the current Council staff profile was undertaken in March 2014 and at that stage:
 - 3.3.1 18,120 staff were employed by the Council, equivalent to a total of 15,495 full time posts;
 - 3.3.2 staff numbers fell over the two years March 2012, but have shown a slight increase in the period since then; and
 - 3.3.3 from March 2013 to March 2014 Council headcount rose by 223 staff, an increase of 1.2%.
- 3.4 The average Council employee is 45 years old and has been in Council employment for 9.6 years. As at end 2013, staff aged over 50 accounted for 39% of all Council employees. 57% of staff were aged 25-49 years old, with a further 5% aged under 25.

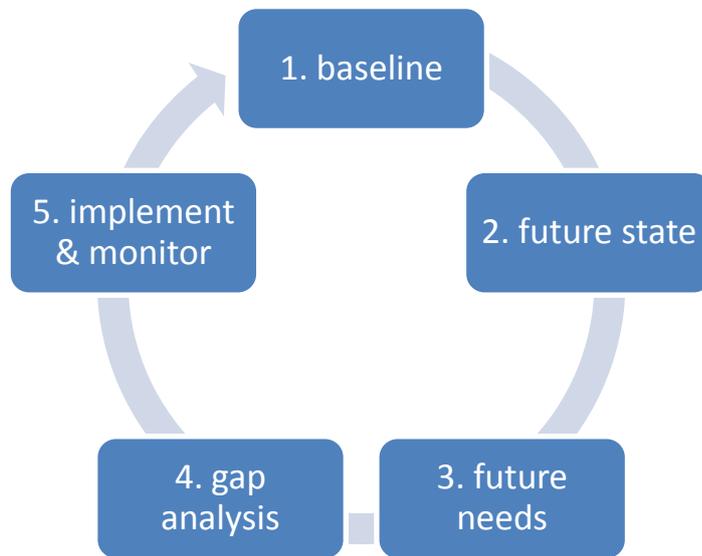
- 3.5 In 2013/14 the Council spent a total of £528.4m on employee costs. This accounted for 39.5% of the total Council budget. Adjusting for inflation, Council employee costs have fallen by 2.2% in the period since 2011/12.
- 3.6 To date the Council has implemented the following approaches to workforce planning to address recognised areas for development:
- 3.6.1 Modern apprenticeship scheme: developing a pipeline of young talent with over 130 modern apprentices involved in a variety of roles across the all directorates including engineering, customer services, youth work and arboriculture.
- 3.6.2 Graduate training scheme: developing a pool of young talent in the corporate governance directorate in a range of professional roles including governance, business intelligence, legal and financial services.
- 3.6.3 Talent programme: over the last seven years this has resulted in over 41% of those selected being promoted or moving role, either internally or externally. This includes internal promotions at all levels, including senior management and Chief Officer.
- 3.6.4 The Council's Better Outcomes Leaner Delivery (BOLD) Programme includes a work stream on workforce management to progress new ideas and areas for review identified by the member/officer working group. The objectives of the work stream are to focus on:
- 3.6.4.1 efficient workforce planning and management;
 - 3.6.4.2 employee cost savings;
 - 3.6.4.3 increase capacity from the existing workforce; and
 - 3.6.4.4 improve staff engagement and morale.
- 3.6.5 The following proposals are being progressed at present to continue to support a strategic approach to workforce planning and development:
- 3.6.5.1 Resources phase 1: a range of initiatives have been identified by officers and members in line with 'total budget.' These include actions now underway to reduce employee costs using areas such as recruitment, retention, agency staffing and overtime. Work streams and proposals also include benefits, reward and recognition and pay growth.
 - 3.6.5.2 Internal agency and academy: this will provide support for staff seeking new opportunities, actively match re-deployed staff to vacancies and provide a mechanism for staff to develop their careers in new areas via re-training and

appropriate support. The agency will maximise existing skilled staff, assist to reduce employee costs and turnover along with preparing staff for new roles in line with the outcomes of the strategic workforce planning approach. In addition, this will continue to promote flexibility in line with the Council's existing policies and approach along with supporting an increase in job satisfaction.

- 3.6.5.3 Co-ordinated services: the BOLD programme has initiated a co-ordinated services feasibility study to consider back office functions covering the full spectrum of business support to professional services. This aligns to the requirement to invest in and provide corporate support to neighbourhood and front line services.

Strategic workforce planning

- 3.7 Service transformation will require continuous changes in workforce numbers and skills. The comparison of the workforce is important so that services and the Council's wider agenda are designed, shaped and delivered with empathy and understanding of Edinburgh citizen and customer needs.
- 3.8 To meet these challenges the Council is developing a comprehensive strategic workforce plan which will include:
- 3.8.1 detailed analysis of the current workforce;
 - 3.8.2 future workforce requirements aligned to pledges, outcomes, Council business and service plans;
 - 3.8.3 gap analysis between current workforce and future needs in the short, medium and longer term; and
 - 3.8.4 identification and implementation of solutions to bridge gaps including appropriate deployment of staff, job enlargement, up-skilling and talent acquisition.
- 3.9 A five step approach to strategic workforce planning is currently being undertaken council-wide with appropriate engagement with all directorates and service areas:



- 3.9.1 step one: baseline of the current workforce including full organisation charts and in –depth data analysis;
 - 3.9.2 step two: future state analysis and identification of factors determining future service provision. This is currently being completed as part of the Council’s business intelligence programme;
 - 3.9.3 step three: confirmation and identification of current and future Council requirements:
 - 3.9.4 step four: identification of gaps, skill changes and plans to respond; and
 - 3.9.5 step five: implement, monitor and regularly refresh.
- 3.10 Legacy issues have resulted in current data from the Council’s HR system not being of a sufficient quality to support automated reporting and as a result data requires to be manually manipulated. This caused particular difficulties due to the backlog of organisational changes which required to be updated. To address this, the HR system (‘iTrent’) has been upgraded and the backlog of changes are being processed as a priority. These measures will support a significant improvement in data quality.
- 3.11 Work on producing baseline staffing data for each directorate is well underway and being progressed as a priority. The data will provide a detailed and comprehensive profile of the organisation, including financial information, to support a one-Council approach to workforce planning going forwards. The information will include full organisational charts to service and divisional level with details of roles and related costs. This step will be complete in mid-May 2014 along with a dynamic future state analysis.
- 3.12 From June 2014 the final steps will be completed with full implementation of the plan expected by December 2014. A high level overview of the programme is set out in appendix one.

- 3.13 The workforce planning process will support the Council to continue to develop its organisational structure to drive transformation and efficiency. Gaps will be addressed through refreshed HR practices and approaches to talent attraction and development; succession planning; training and re-deployment; and reward and recognition.
- 3.14 Implementation of the process council-wide will develop a design for the organisation with the optimum number of management layers and spans of control to ensure efficient, effective and future focused service delivery.

Future developments

- 3.15 Development of a workforce data dashboard comprises a key part of the business intelligence programme currently under consultation. The dashboard will be designed to support workforce management and will provide real time access to management information on new council recruitment, agency spend, staffing numbers, overtime expenditure, sickness absence and other metrics. Built within the IBM Cognos toolkit, the dashboard will link directly to feeder systems to offer trend analysis, assessment of performance against target, and drilldown by service area and division.
- 3.16 In line with the new metrics and data, a strategic workforce group has also been set up to ensure high level oversight of developments Council-wide. The group membership comprises the Chief Executive, Director of Corporate Governance, Head of HR and Organisational Development and the Head of Finance. The group will challenge progress and ensure appropriate actions are in place with the Corporate Management Team.

Measures of success

- 4.1 The Council's workforce plan will be designed to ensure a flexible workforce with skills to meet evolving and changing service requirements for the Council's customers.

Financial impact

- 5.1 There are no direct financial impacts as a result of this report.

Risk, policy, compliance and governance impact

- 6.1 Effective strategic workforce planning is a key enabler of well run organisations. If the Council does not continue to develop a workforce plan in line with current and future challenges there may be medium to long term difficulties meeting service demands and requirements within financial constraints.

Equalities impact

- 7.1 There are no significant equalities implications arising directly from this report, however, an equalities impact assessment will be completed once the workforce plan has been developed.

Sustainability impact

- 8.1 There is no direct sustainability impact of this report.

Consultation and engagement

- 9.1 Internal consultation has been undertaken with directorates and services to identify and assess existing workforce planning activity throughout the Council.
- 9.2 External engagement with the Improvement Service and other public sector organisations on their approach to workforce planning has also taken place.
- 9.3 Consultation and engagement, including the Trade Unions, will continue to be undertaken as the programme develops.

Background reading/external references

[Audit Scotland: Best Value and Community Planning report May 2013](#)

[Audit Scotland: Scotland's public sector workforce report - November 2013](#)

[Governance, Risk and Best Value Committee -14 November 2013](#): Corporate and Operational Governance

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Links

Coalition pledges

Council outcomes CO25 - the Council has efficient and effective services that deliver on objectives.

Single Outcome Agreement

Appendices Appendix one: overview of programme plan - strategic workforce planning

Appendix one: overview programme plan - strategic workforce planning

Key Area	Actions	Completion
Define Baseline	<ul style="list-style-type: none"> • Collect staffing data for each Service Directorate. • Ensure inaccurate data sets corrected and properly aligned. • Ensure accuracy of data with Service Managers. • Ensure staffing data fully costed. 	16 May 2014
Ensure robust Performance Management	<ul style="list-style-type: none"> • Ensure all staff have a PRD and have SMART objectives for 2014/15. • Ensure all data for PRD's are recorded on ITRENT. • Ensure all managers have completed the key policy awareness checklist. 	31 May 2014 30 June 2014
Verification	<ul style="list-style-type: none"> • Verify financial data with Service aligned Finance Managers. 	31 May 2014
Agree and Identify factors influencing future workforce	<ul style="list-style-type: none"> • Business Intelligence: future state analysis (PESTLE) complete. • Governance and Business Intelligence: strategic architecture reported to Council. • Governance, Business Intelligence and OD: strategic architecture and content guides development of future service shape. • OD guidance published. 	31 May 2014 21 August 2014 31 Oct 2014
Identify future workforce needs	<ul style="list-style-type: none"> • Identification of both numbers and skills for the future workforce. 	31 Nov 2014
Identify the gap and plan to address	<ul style="list-style-type: none"> • Considering the above service managers assess requirements including medium to longer term increase/decrease in workforce or plan to acquire the skills required. 	15 December 2014