

First Draft For Publication

Strategic Workforce Planning

Shaping Our Future

Some Key Questions?

- Are we managing our current people challenges successfully?
- What are our people challenges going forward?
- Do we understand the capability and productivity of our people and what they can deliver?
- How do our people challenges influence our ability to achieve our service objectives?
- Do we need to consider a fundamental review of the ways we deliver our services?
- Do we organise work to attract the workforce we require?
- How different will our organisation look in the medium to longer-term?
- Will we require different skill sets to deliver a new agenda?

The Landscape Going Forward

Finance - Reduced Revenue & Spending

- Severe financial pressure - possible 25% plus shortfall over the next 3 to 5 years
- Controlling and reducing cost is imperative
- In most boroughs at least 50% of spend is on the workforce

Policy - Partnership, Efficiency & Improvement

- Partnership working/cross sector collaboration
- Efficiency savings
- Need to improve productivity and performance

Services - Increasing Demand

- Higher demand for benefits and social care
- More older people likely to need council-funded care
- Already increased demand for state school places

Workforce

- Workforce flexibility/productivity?
- Right skills for the new agenda?
- Appetite for change?

Two Likely Scenarios

Scenario One - Old World with a Twist

- Broad cuts in public services, not matched by demand decrease
- 10%-20% cuts in LG budgets, but not uniform across the service
- 10%-20% cut in staff, despite the ongoing need for recruitment
- Indicative change time scale 3 to 5 years

Scenario Two - Brave New World

- Health/Education protected (an increase in school places)
- 25+% cuts in LG budgets
- 25+% cut in staff, despite ongoing recruitment
- The issue of procurement versus delivery will have significant skill set change implications
- Indicative change time scale < 3 years

What type of workforce will we require in this new environment?

What actions are required?

Operating Model Impact on Structure

Degrees of organisational and workforce change



Traditional

Other

Directly
employed

Transitional

Other

Directly
employed

Transformed

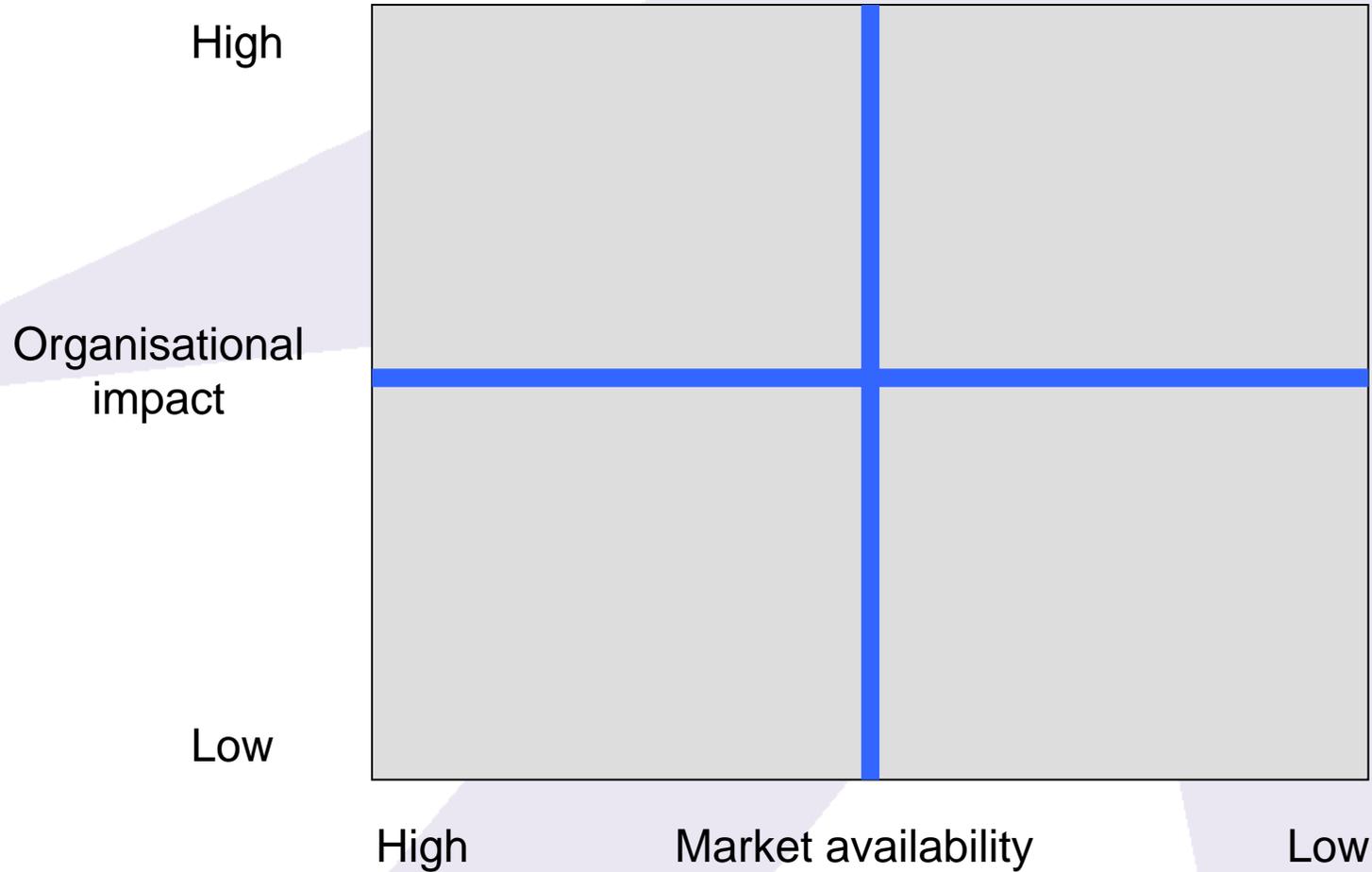
Other

Directly
employed

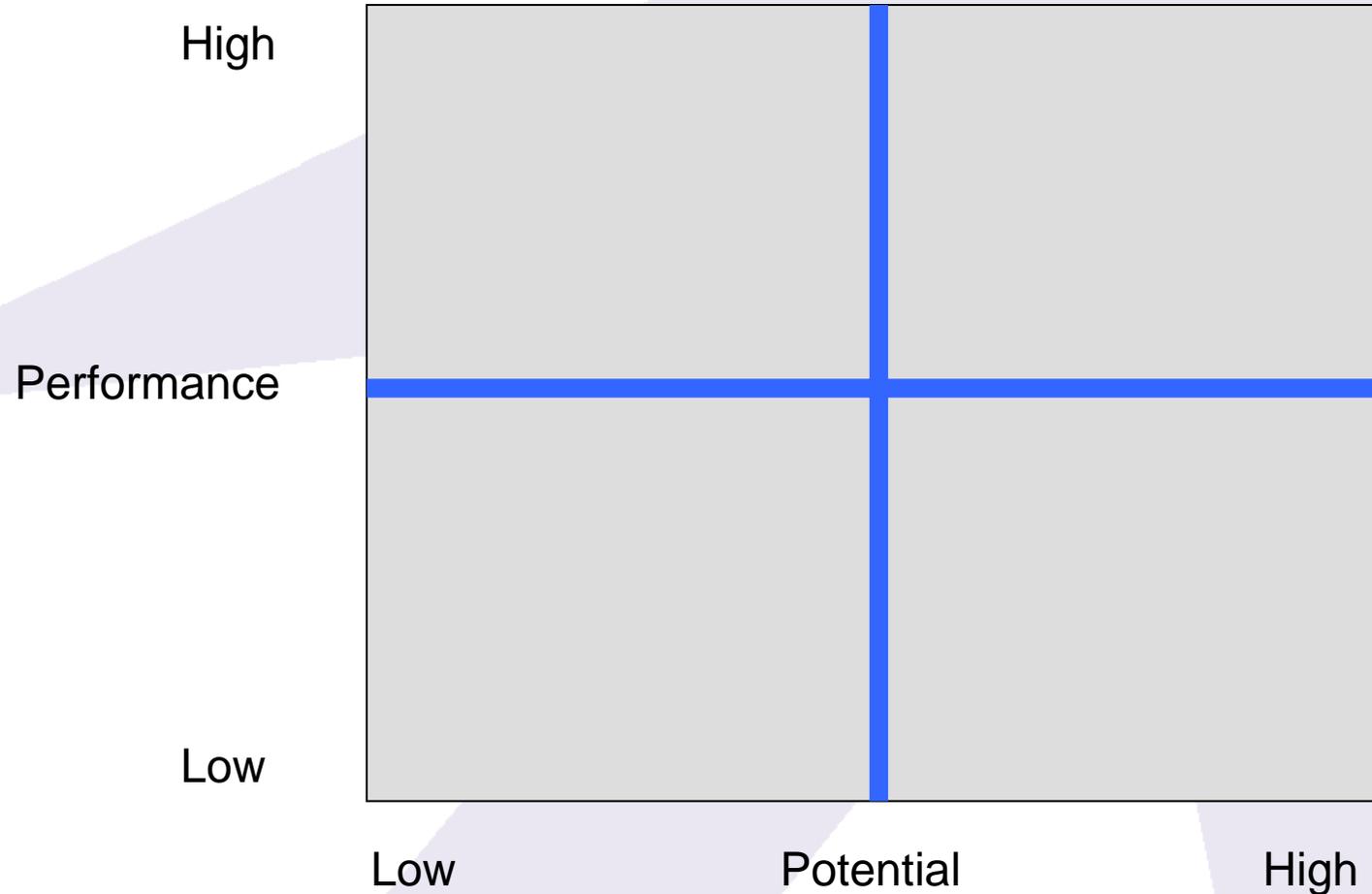
Operating Models - Workforce

Operating Model/Workforce	Traditional	Transitional	Transformed
The employer of the people providing services			
Borough			
Agency			
Shared services			
Social enterprises			
Partnerships			
Private contractor			
Directly employed staff – type and number			
Professional			
Intermediate			
Admin/Clerical			
Direct services			
The skills required			
Traditional LG skills			
New skills			
The source of Skills			
Internal/other boroughs			
Other public sector			
Private sector			

Which Skill Groups?



And Which Individuals?



Planning for the Future – Better Way?

Need to move from traditional budget-driven to more service-driven decision making

Budget-driven decisions

Budget Allocation



Resource Requirements



Services Provided

Service-driven decisions

Budget Allocation



Resource Requirements



Analyse, Prioritise & Agree Service Needs

Managing Change Requires Good Preparation

- Plan ahead
 - confront discontinuous change
- Build for the future
 - keep developing people
 - keep hiring excellent people/required skills
 - consider future skill requirements
 - and changing context
- Don't follow fads
 - care with outsourcing
 - only shared services if well implemented
- But be innovative
 - see what private sector has done to save £
 - look outside your normal organisational bounds
 - consider new structural forms
 - changing skills mix or job shape
- Manage change well!

This is where workforce planning can help

So What Is Workforce Planning?

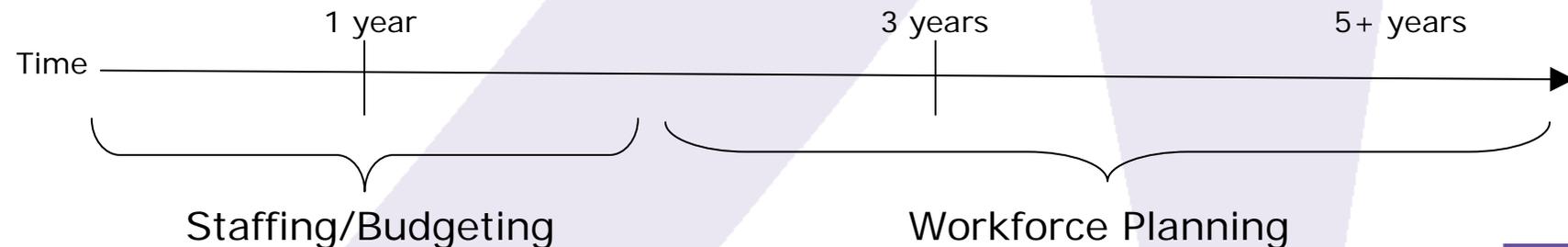
Workforce Planning is taking the steps today to ensure we:

- Have the right **people**
- In the right **place**
- With the right **skills**
- At the right **time**
- For the right **cost**

To reduce strategy execution risks associated with workforce capacity, capability, and flexibility.

What Workforce Planning Is Not

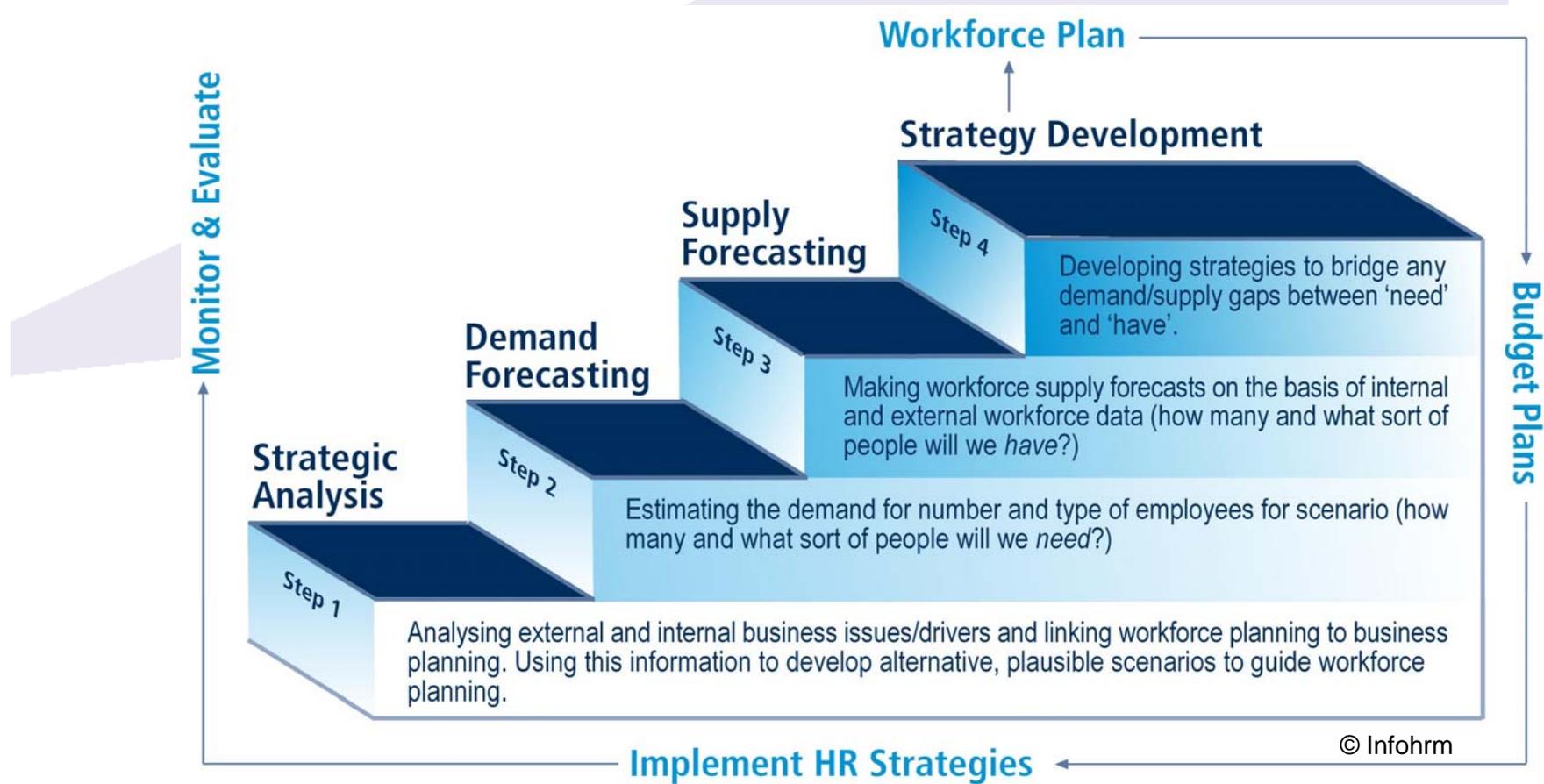
- A commitment to future decisions
- Something that is done once and forgotten about
- A report to go on a shelf
- Something done by HR
- The way to fill vacancies today – staffing or budgeting
- Analysis of every role and workforce issue across the organisation
- A perfect prediction of future workforce needs (especially numbers)



Benefits Of Workforce Planning

- Reducing labour costs
 - Correct skill mix
 - Not having surplus staff with inappropriate skills
- Reduced skills shortages which can impact productivity
- Focus on more cost effective learning and development
 - Structure on the job experience
 - Obtaining future skills as a by product of doing real work
- More effective career management options
 - Retention of high performers
 - Internal development versus external recruitment
- Workforce required to meet future service delivery needs are being recruited or developed
- Stronger focus on development and redeployment rather than just external recruitment to meet changing capability requirements

The 4 Step Methodology



Next Steps?

1. HR to meet with Heads of Division / Service Area to agree:
 - Key assumptions about future impacts (internal and external factors)
 - Identify service priorities
 - Critical Job Roles moving forward (defined as those roles which are mission critical, will become mission critical , are hard to fill, have long lead times to competence)
2. HR to sit with applicable Line Managers to understand demand for critical job roles across 5 years (both number - % change up or down -, and capability change)
3. HR to analyse the forecast supply across 5 years for the critical job roles (current head count less retirements and turnover)
4. Heads of Division / Service Area to be presented with an initial risk assessment associated with their workforce based on the gaps between supply and demand; Heads of Division/Service Area to refine
5. Action plans with associated outlines of responsibilities, accountabilities, who's needs to be consulted, and who needs to be informed