

## **Item: 4**

### **Human Resources Sub-committee: 31 May 2018.**

#### **Workforce Planning.**

#### **Report by Executive Director of Corporate Services.**

### **1. Purpose of Report**

To update on recent progress regarding the Council's Workforce Planning arrangements, and to outline in broad terms further work to take place during 2018 to 2019.

### **2. Recommendations**

The Sub-committee is invited to note:

#### **2.1.**

That, in March 2017, the Council approved individual service workforce plans and an overarching corporate workforce plan.

#### **2.2.**

That the recent Best Value Assurance Report made a recommendation in respect of Workforce Planning, with this matter subsequently included in the Council's Best Value Response Plan, reported to the Policy and Resources Committee on 17 April 2018.

#### **2.3.**

That further consideration has been given to the future approach to long-term workforce planning, with key issues outlined in section 5 of this report.

### **3. Introduction**

In broad terms, workforce planning is the process that organisations use to make sure they have the right people with the right skills, in the right place, at the right time. In planning over the medium and long term, it is hoped that the organisation can better manage the challenges it faces. Workforce planning will necessarily include consideration of cross cutting issues that impact upon the Council, such as available financial resources and changes in government policy. It should seek to examine current capacity and analyse the workforce the organisation has now as well as horizon scanning for future issues, and then seek to put in place adequate mitigating actions to ensure those workforce issues are addressed.

## **4. Background**

### **4.1.**

Service specific Workforce Plans were considered by each relevant service committee in February 2017, with the overarching Corporate Workforce Plan being recommended for approval by the Policy and Resources Committee on 28 February 2017.

### **4.2.**

This was the first time that the Council had put in place a full suite of workforce plans and represented a more structured approach to planning the future workforce. The plans focussed on the issues within the medium-term due to the financial pressure all local authorities face in the next five years and how that may affect future staffing provision. They covered different financial scenarios, therefore linking to the Council's medium-term resource strategy.

### **4.3.**

In addition, the plans noted that further work would be undertaken on the longer-term position for each service and the Council as a whole, including consideration of how to positively influence the Council area's ageing demographic and meet the workforce and service delivery challenges that presents.

### **4.4.**

In the intervening period, the Workforce Plans were one of the tools used to help inform the budget setting proposals for 2018 to 2019 and follow up work has been undertaken to pick up on some of the skills development and learning needs identified, with each service area now having a Service Learning Plan.

### **4.5.**

The Council's Workforce Planning arrangements was an area of interest to the external audit team who undertook the Best Value audit in 2017. Whilst they noted there had been progress in this area, they recommended that the pace of improvement must increase and that the Council must ensure it makes progress with developing a detailed workforce plan that considers future workforce needs, current capacity, supply and recruitment, skills and financial constraints. This recommendation has been accepted by the Council and is included within the Best Value Response Plan, recommended for approval by the Policy and Resources Committee on 17 April 2018.

## **5. Key issues for future work**

A number of broad areas for the future direction of work on this topic have been identified and are grouped and summarised below.

- Data Analysis and understanding current capacity:
  - Review current workforce data – is it the most useful data required for future planning? It is important the Council is able to fully understand where it is now and any future trends to help plan effectively.
  - More detailed age profiling and matching that with retirement and sickness absence information.
  - More detailed breakdown of information by service and profession specific areas.
  - Undertake trend analysis around turnover and retirement reasons to help better predict the future position on the current workforce.
  - Use of future demographic information for Orkney to help identify gaps and potential pressure points.
- Assessing current capacity and future workforce needs and skills:
  - Consider major external factors that are going to impact on future workforce planning and how to best plan for mitigating these. For example; Brexit, changes to UK and Scottish Government policy, the financial outlook, early years provision, the ageing demographics of Orkney.
  - Consider major internal factors that are also going to impact, for example; known service demand, planned service re-designs, Empowering Communities and the new Council Plan priorities.
  - Commit to a risk based approach around current capacity and known Council priorities – identify which areas are highest risk in terms of service failure and therefore should be prioritised.
  - Ask services to commit to more in-depth job redesign, clearer career paths and better succession planning to help meet service demand within financial constraints.
  - Look at tailored roles and generic worker roles to better support fragile and remote communities.
  - Re-consider the Council’s approach to work experience, apprenticeships and graduate programmes.
  - Work closely with the Education service, Orkney College, Skills Development Scotland and other further and higher education providers, to ensure adequate skills development amongst young people to match the Council’s future needs.
- Supply and Recruitment:
  - There are three broad issues in respect of supply and recruitment: retaining our young people in Orkney, retaining and re-training our current workforce, and lastly being able to attract appropriately skilled people to Orkney to work for the Council.
  - In line with demographics and service demand, it is critical the Council is able to retain its young people now and in the future and offer them attractive and fulfilling job and career opportunities.

- The Council should forge much stronger links with schools and Orkney College to ensure young people are aware of the career opportunities at the Council, offering them clear access routes and career paths.
- There is a need to take forward the review of pay structures and terms and conditions incorporating change review work to ensure a sustainable and attractive pay model. This is the subject of a separate report.
- Review the Council's approach to redeployment and re-skilling as a first alternative to letting existing staff leave if they happen to work in a service area that may be downsizing. Enable and facilitate a shift in workforce in line with demand and resources.
- Ensure the Council continues to have good trade union engagement, improve staff engagement and, within constraints, ensure the Council remains an attractive employer within Orkney.
- Introduce a more proactive approach to recruitment, using more modern online tools and systems available in order to reach a wider target audience.
- Develop unique selling points to prospective employees; the Orkney quality of life, and what is available here as a place that nowhere else can offer. Sell the advantages of a career in Orkney – the variety of role, the scale, the opportunity to take a first step on the ladder into more senior professional and/or managerial roles, and Orkney's first-class facilities. Aim to ensure the Council is constantly being proactive about pushing the positive messages about living and working in Orkney.

## **6. Next steps**

### **6.1.**

Work is underway on the work and priorities outlined above. Service Learning Plans have been completed and are now being followed up in terms of prioritising those identified needs within available resources. The review of pay structures and any terms and conditions changes are proposed to start in earnest following this round of committee meetings. The supply of data and statistics has been reviewed and the Human Resources team are working on new reports to cover key information which the organisation requires to know. Officers are also beginning to prepare for a Careers Fair in August 2018 and forging better links with Skills Development Scotland to help raise awareness with young people of the Council as an employer. Lastly, planning new web content for recruitment purposes has commenced, both as an individual organisation and with community planning partners.

### **6.2.**

Services should still retain the scenario planning work that formed the central point of the existing workforce plans as that remains the greatest short and medium-term challenge. The challenges and approaches outlined in section 5 above will be built into this structure and augment it, especially in terms of longer term planning. This will enable creation of a plan that will be taken to the Corporate Management Team and Senior Management Team for endorsement with clear senior management leads and timescales built in.

### **6.3.**

It will be important for Human Resources to work closely with services to facilitate this but also that ownership and shared leadership for the individual service plans and the overall detailed corporate plan is provided by the Elected Members and Senior Management Team in order for it to be effective.

## **7. Human Resource Implications**

The Human Resource implications are contained in the body of the report.

## **8. Links to Council Plan**

Ensuring that the Council has a planned approach to its future workforce needs is important to supporting all the Council's five strategic priorities, however Workforce Planning is of particular importance to supporting the priorities of Caring Communities, Thriving Communities and Quality of Life.

## **9. Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priorities of Strong Communities, Living Well and A Vibrant Economy.

## **10. Financial Implications**

### **10.1.**

There are no direct financial implications arising from this report. However, any costs arising from the implementation of elements of the Workforce Plan would need to be reviewed and the impact on budgets assessed and reported to committee as required.

### **10.2.**

The most recent financial projections indicate that the Council can anticipate a budget gap of £12,000,000 over the years 2018 to 2022. The scenario planning work undertaken as part of the existing Workforce Plans is based on the potential funding forecasts outlined in the Council's Medium Term Resource Strategy, and therefore link in and contribute to the Council's planning in respect of its likely future funding gap.

### **10.3.**

The cost of employing staff is the single biggest cost area for the Council; therefore, a significant part of the saving targets in future years will have to be achieved through reducing workforce costs. Workforce planning will be critical in ensuring that the Council is able to continue to deliver a wide range of services.

## **11. Legal Aspects**

The Council must make arrangements which secure best value. Workforce planning is an aspect of this.

## **12. Contact Officers**

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