

**CITY AND COUNTY OF CARDIFF  
DINAS A SIR CAERDYDD**

**Employment Conditions Committee: 23 March 2005**

**Report of Chief Executive**

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**PLANNING FOR FUTURE SUCCESS: CARDIFF COUNCIL  
WORKFORCE PLANNING STRATEGY**

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**Background**

1. The employee climate has changed radically over the last ten years with falling unemployment, increased competition from other organisations and vast shortages of employees with the required skill / knowledge / competency levels in a number of occupational groups. Competition to recruit and retain the best staff from increasingly narrow employment pools (both internal and external) has radically increased which impacts heavily both on retention and recruitment costs. The need to plan ahead in people terms has never been more important than it is in today's climate.
2. In addition, Workforce Planning helps to serve as a 'Healthcheck' on a wide range of current people / performance issues and is designed to highlight both current and future potential issues (allowing them to be resolved in a proactive manner). Local Government generally has an aging workforce with 54% of the council's workforce aged 41 or above. This represents a significant challenge not only to Human Resources but also to management in terms of loss of knowledge, expertise and skill. The ability to capture knowledge management, and to grow future capacity through succession planning and apprenticeship schemes has never been more vital than it is today with escalating skills-shortages.
3. The Employers Organisation, the Welsh Local Government Association (WLGA) and the Wales Assembly Government are currently in the process of promoting workforce planning activity across Wales. The process began in June 2004 with all local authorities being required to submit Workforce Plans in respect of the Social Care sector. However, as part of the recently agreed pay settlement, all authorities are required to produce a Corporate Workforce Development Plan which will have three primary objectives :-
  - *To Produce 'snapshot' statistical information on the workforce (which will be reproduced on an annual basis to show comparisons and trends)*
  - *To act as a resourcing plan to support forthcoming Goals and Objectives as highlighted in both the Corporate Plan and Individual Business Plan taking full account of internal and external factors (e.g. Legal, Financial)*
  - *To feature all major themes highlighted in Service Area plans together, from which a comprehensive action plan will be produced to target these.*
4. Workforce Planning will not only encompass the composition of the future workforce in people terms but will also consider new ways of working utilising technological

developments and best practice methodology, which will need to be matched and integrated with the longer term vision of the council and the future delivery of customer service. The need to work in new innovative ways exploiting developments in communications and information technology has become even more resonant over recent years as a result of increased customer expectations, e-government and the need to move away from the traditional nine to five working culture towards more flexible working patterns (e.g. Connect 2 Cardiff).

5. As a result, more flexible ways of working will now be applicable to staff which will ultimately present benefits to both the employee and the authority as a whole. This could include home working, and hotdesking arrangements utilising current HR Policies in place, namely the Flexible Working Hours Scheme, Job Share Policy, Career Break Scheme, and provisions for special leave entitlement. In addition this package of policies together with best practice guidance will help to promote the importance and the benefits of an effective work/life balance.

## Issues

- 6 The fundamental aim of workforce planning is to highlight any current and potential workforce gaps, which may include some of the following: -
  - *To create a culture of diverse working patterns to support the needs of individuals and the organisation and to consider flexible working options that do not compromise service delivery ;*
  - *The ability to attract younger people into the organisation ;*
  - *Identify and remove any potential barriers / inconsistencies ;*
  - *Promote the council as an employer of choice / model employer ;*
  - *Develop a proactive approach towards contingency / succession planning;*
  - *Reduce turnover, increase flexibility, and retain and develop existing staff;*
  - *Consider implications / greater focus of future council service delivery;*
  - *Building the future workforce and working environment for Cardiff Council (eg implications of e-government, 24 hour council, increased customer expectations).*

## Proposals

- 7 The attached Workforce Planning Strategy is an overarching plan to address the current and future needs of service areas within the council and will provide a clear context for managerial decision making. The strategy will support the organisation corporately and the individual and unique requirements of Service Areas. In order to raise the profile of workforce planning and its associated benefits, presentations have taken place with management teams across the authority. The strategy is twofold:-
  - *All service areas to produce their own individual workforce plan for 2005/6 (to be integrated to Business Planning Framework from 2006/7)*
  - *A corporate Workforce Plan which will contain annual statistical management information, HR / People findings from service areas, and a resourcing plan to underpin and support the corporate plan from a People Perspective.*

## **Investment for Reform/Benefit to service user**

8. Workforce Planning should place Cardiff in a stronger position to attract, retain, and develop its workforce to deliver services to Cardiff people and to be able to respond to on-going change and national, regional and local pressures. In addition, workforce planning will help the Council to:
- *Decide how many employees are and will be needed (Skill Sets, Composition);*
  - *Cope with peaks and troughs in supply and demand for different skills;*
  - *Assist with the management of Employees Performance and Sickness Absence.*
  - *Deliver Improved Services by linking corporate business strategy to people;*
  - *Retain and attract the right employees.*

## **Council Policies Supported**

9. This report and accompanying strategy supports the following corporate policies :-
- a. Corporate Plan
  - b. Human Resources Service Area Business Plan ;
  - c. Learning and Development Strategy

## **Advice**

10. This report has been prepared in consultation with relevant Corporate Directors and reflects their advice. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the following advice.

## **Legal Implications**

11. The Council has determined that local choice functions shall be Council functions. This non-statutory plan therefore falls to be determined by the Council and has no unusual legal implications. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

12. There are no direct financial implications arising from this report, although implementation of the plan should be financially beneficial to the Council in the long term. In the short term, however, any costs associated with the plan will need to be absorbed within existing budgets.

## **Human Resource Implications**

13. The development and implementation of these initiatives will be a clear investment and will increase skills to create a more flexible and responsive workforce delivering

improved services. They will contribute to making Cardiff an employer of choice both locally and nationally.

## **Trade Union Comments**

14. The Trade Unions broadly supported the principles of workforce planning. However they expressed a wish to be fully involved in the development and review of more flexible ways of staff working highlighted within the report and had some reservations about current established flexible working patterns. UNISON expressed particular changes they felt could be made to the Flexible Working Hours Scheme that would enhance flexible working arrangements.

## **RECOMMENDATION**

It is recommended that Employment Conditions Committee agree this overarching plan for developing the Council's capacity for the future and authorise the Chief Executive to agree the development, and implementation of plans to deliver this overarching plan.

**BYRON DAVIES**  
**CHIEF EXECUTIVE**

**4 March 2005**

The following appendix is attached

**Appendix A** - Workforce Planning Strategy

## WORKFORCE PLANNING STRATEGY DOCUMENT

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### 1. Introduction

The Council's most important asset is its people. The vast majority of an authority's improvement comes when the right people with the right knowledge, skills and behaviours are deployed appropriately throughout the structure. Workforce planning is about how to achieve that match. Crucially, it can make the links between business strategies and people plans for recruitment and retention / learning and development. It also provides the opportunity for longer term thinking about future service pressures and needs, and what needs to be done now to get workable strategies in place – not only for people development but for financial and change management too.

Workforce planning is a process that can be described as *'the ability to get the right people, with the right skills, for the right job, at the right place, at the right time'*. At its simplest, workforce planning is about 'trying to predict the future demand for different types of employees and seeking to match this with current and predicted supply'. Due to recent changes in the employee climate (low unemployment, high competition, and the increase in employee shortages), this process has now become essential and is being widely promoted by the Employers Organisation and the Welsh Local Government Association and is also viewed by many organisations as 'Best Practice'. The benefits are also emphasised in the Local Government Pay and Workforce Strategy as it is vital in helping service areas to tackle problems of staff shortages and staffing costs. It can ensure the delivery of quality and timely services and can save money, cutting costs associated with high vacancies and turnover. It can also highlight, reduce and avoid potential HR issues which will allow objectives to be met as planned, reducing the possibility of 'last minute' issues or complications.

### 2. Purpose

Workforce Planning is vital in helping councils to tackle problems such as staff shortages, succession planning, and career management. It can also help to ensure the delivery of quality and timely services, and can save money by cutting costs associated with high vacancies and turnover. Careful consideration of the age profile of an organisation can ensure that skills gaps will not have to be met through costly interim measures, such as high numbers of agency staff and overtime payments. Longer term workforce planning provides the opportunity to link learning and development with future skills needs and devise strategies to meet these needs. In summary, workforce planning will assist managers and ultimately the Council to:

- *manage employment expenditure by anticipating changes ;*
- *reduce turnover, absence, and associated recruitment costs ;*
- *undertake a 'health check' of business performance in people terms ;*
- *look at the authority's diversity profile at all levels against that of the future local population ;*
- *compare the present workforce and the desired future workforce to highlight shortages, surpluses and competency gaps ;*
- *gain a thorough understanding of the current workforce and the future skills and numbers of employees that might be needed to deliver new and improved services ;*
- *identify future resource needs and to assist in the development of internal and external capacity – developing appropriate strategies and implementing tactics for building this workforce.*

Workforce Planning will not only encompass the composition of the future workforce in people terms but the likely working environment that could exist in the future. It will also consider new ways of working utilising technological developments and best practice methodology, which will need to be matched and integrated with the longer term vision of the council and the future delivery of customer service. The requirement to work in new innovative ways exploiting developments in communications and information technology has become even more resonant over recent years as a result of increased customer expectations, e-government and the need to move away from the traditional nine to five working culture towards more flexible working patterns (e.g. Connect 2 Cardiff). As a result, more flexible ways of working could be applicable to staff which will ultimately present benefits to both the employee, the service area and the authority as a whole. This could include home working, and hotdesking arrangements utilising current HR Policies in place, namely the Flexible Working Hours Scheme, Job Share Policy, Career Break Scheme, and provisions for special leave entitlement. In addition this package of policies together with best practice guidance will help to promote the importance and the benefits of an effective work/life balance.

Workforce planning will put the Council “one step ahead,” resulting in informed staffing decisions that benefit the authority in both the short and long-term. It supports all HR policies and programmes such as learning and development, disciplinary and grievance, management of attendance and diversity management. More importantly, it can help managers to recognise the most effective and efficient use of the Council’s human capital in creating a workforce that is – and will continue to be – flexible and responsive in these fast-changing times.

### 3. Drivers

The main drivers for workforce planning are as follows:-

- **Political and policy change:** including Wales Programme for Improvement / Whole Authority Assessment, inspections, e-government, Modernisation, the Race Relations Amendment Act 2000 which have significant HR implications for service delivery and employment practice ;
- **Labour market:** Labour market trends have implications for recruitment and retention of local government staff, and authorities already face difficulties in some occupations ;
- **Demographic and Social Change:** Demographic change such as the ageing population in the UK is affecting both the demand for services and workforce supply ;
- **Technological change:** Technological change is leading to changes in service delivery, and changes in ways of working and the skills needed in the workforce.

### 4. Key Linkages

- System Data ;
- Health and Safety ;
- Performance Management ;
- Learning and Development ;
- Policy Review / Formulation ;
- Resourcing, Recruitment and Retention ;
- Operational HR (Absence Management, Disciplinary and Grievance Cases, Job Design).

### 5. Key Inputs

- Corporate Plan ;
- Policies and Procedures
- Performance Management ;
- Service Area Business Plans ;
- Human Resources Business Plan / Objectives ;
- External Research (local demography, customer care, response to advertisements) ;
- Internal Statistical Information (obtained via Information Systems, Audits and Reviews).

### 6. Goals

These will ultimately be reviewed on an ongoing basis and will be influenced by the findings of both service area and corporate workforce plans. However, the initial goals of the process are to:-

- a) provide balance in turbulent times ;*
- b) attract younger people into the organisation ;*
- c) promote continuous professional development ;*
- d) identify and remove any potential barriers / inconsistencies ;*
- e) manage organisational improvements within tight resources ;*
- f) promote the council as an employer of choice / model employer ;*
- g) develop future managers by being committed to providing the best ;*
- h) consider flexible working options that do not compromise delivery ;*
- i) reduce turnover, increase flexibility, and to retain and develop existing staff ;*
- j) develop a proactive approach towards contingency and succession planning ;*
- k) achieve a diverse workforce that reflects the local community at every level ;*
- l) achieve workforce reforms including more flexible working practices and re-modelling ;*

- m) respond to the increasing recruitment and retention challenges in key occupational areas ;
- n) work proactively to build a cost effective and customer driven approach with quality orientation ;
- o) creating a culture of diverse working patterns to support the needs of individual and the organisation ;
- p) consider implications of future council service delivery ;
- q) ensure compliance with legislation (both British and European), codes of practice and central government policy.
- r) building the future workforce and working environment for Cardiff Council (e.g. implications of e government, 24 hour council, increased customer expectations)

## 7. Implementation

The implementation of workforce planning for Cardiff Council will be undertaken in two stages.

### a) Service Area Workforce Plans

Each service area will be requested to complete their own workforce plan using the process as defined in this strategy, together with supporting documentation (e.g. template, guidance, and scenario questions). The process will assist managers to identify any current and potential HR / people gaps. The first workforce plans will be completed during the course of 2005 using a Workforce Planning Template. However, it is envisaged that the Workforce Planning process will be fully integrated into the Strategic Policy Framework / Corporate Business Planning Template from April 2006, which will allow management teams to review and update their workforce plans on an annual basis.

### b) Corporate Workforce Plan

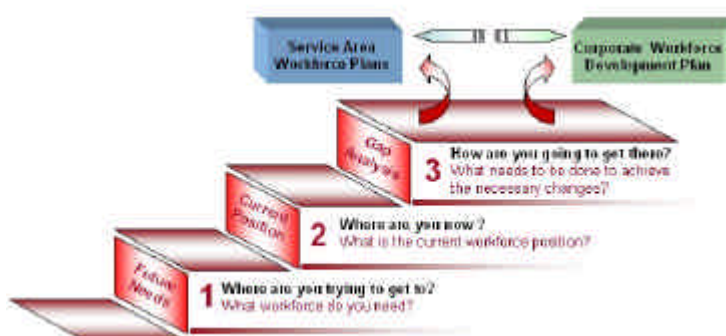
This will :-

- produce 'snapshot' statistical information on the workforce (which will be reproduced on an annual basis to show trends, patterns and comparisons) ;
- act as a resourcing plan to support and underpin forthcoming goals and objectives as highlighted in both Corporate and Individual Business Plans taking full account of internal and external factors (e.g. PEST/LE, STEEP factors, i.e. Political, Economical, Social, Technological, Legal and Environmental issues) ;
- feature all the major themes highlighted in Service Area plans together, from which a comprehensive action plan will be produced to target these.

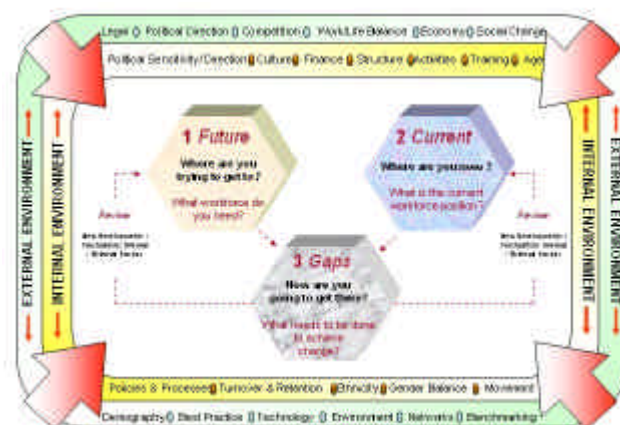
The corporate workforce plan will be produced on an annual basis with new statistical information being compared to that in previous workforce plans to measure trends and patterns. This information will also assist service area managers in reviewing their own plans.

## 8. Workforce Planning Process

The process begins with a consideration of future goals and objectives of the service area from a HR/people perspective. The next stage is to consider the current staffing position using a variety of information sources. The comparison between the desired future workforce and the current workforce will highlight shortages, surpluses. These gaps will become the focus of the workforce plan, identifying and implementing strategies that will build the relevant skills and capacity needed for future organisational success. The workforce planning cycle is made up of three steps.



The process is also influenced by a range of internal and external Factors. This is illustrated in the cycle below:-



Details of each component step / stage is as follows :-

**Step 1:** \* **Future – Where are you trying to get to (Supply / Need)**

The first step is to develop an understanding of the future workforce requirements. Scenario questions will help managers to identify the possible composition and capabilities that will be required of the future workforce, in terms of employee numbers, grade levels, and competency / knowledge requirements. This step will also predict the likely consequences of inaction based on the current position and will feature a combination of internal and external information which could impact on the service area in people terms (e.g. demographics, cost of housing, etc).

**Step 2:** \* **Current Position – Where are you now? (Demand / Have)**

This is a current assessment of the service area as it currently stands. This is also the 'statistical' element of workforce planning. Information used at this stage could include Headcount, Contract Types, Sickness Absence, Training Needs, Age Profile, Qualifications (Skills), Vacancy Levels, Disciplinary / Grievance, Gender Balance, Ethnicity, Overtime Levels, Turnover & Retention, Potential Leavers, Exit Questionnaire data. Other very useful internal information would include the Corporate Plan / Whole Authority Analysis information, Inspection Reports, Financial and Labour Force Information, Learning and Development Plans, etc. An analysis of Strengths, Weaknesses, Opportunities and Threats will also assist service areas to look at current performance levels.

**Step 3:** \* **Gap Analysis – How are you going to get there? (Action)**

By comparing the first two stages together, managers will be able to draw up an action plan which will bridge and close any identified gaps. These should be prioritised based on their importance and associated risk. This information will form the basis of the plan which will determine how the service area will recruit, support, develop and retain the employees it needs for the future. The Plan should also set out where employees will need to move to new jobs to meet changing needs and priorities. The Plan needs to link directly to service/business plans and other existing plans and strategies.

*\* Please refer to the Guidance / Template materials for further information and tools to assist this process.*

**9. Measures**

As the workforce plan will be a 'live' document which is likely to change taking account of internal and external conditions, all service areas will be required to review, evaluate and monitor their plan on an ongoing basis with an annual review. The Operational Manager (workforce planning) will link individual service area requirements to the overarching corporate workforce plan.



**10. Commitment**

In order to produce and deliver meaningful results, it will need the active support of all stakeholders. It is imperative therefore that workforce planning is seen as a mainstream, management activity engaging front line employees. It cannot be undertaken by Human Resources in isolation from service areas.

**11. Review**

In order to measure success and improvements, it is advised that workforce plans are reviewed on an annual basis. In addition, the strategy itself will be continually reviewed to ensure that it meets the needs of Cardiff Council and reflects the latest best practice guidance.

**J Ashdown**

Human Resources

*March 2005*