

Three dimensions of workforce planning in local authorities



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Skills for Justice is part of JSSC group, which is an independent, employer-led charity enabling employers and employees across the world to develop skills for success.

This project has received co-investment from the UK Commission for Employment and Skills through the Employer Investment Fund.

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1. Introduction and the three dimensions of workforce planning

This report describes the findings from an investigation by Skills for Local Government into how workforce planning is operating in the local government sector and to provide some advice for individual authorities as to successful approaches, barriers that need to be overcome, tips for success and some example models. It has been co-written with Birmingham City Council with whom we have worked in partnership over the past year and whose tools have been used extensively in the programme discussed in section 3 and Appendix 4.

Workforce planning is not a new concept. It has been applied in all sectors of the economy in one form or another for many years. However, it is also true that the extent, effectiveness and methods of workforce planning vary enormously between individual local authorities – and even between services in individual authorities.

One of the main findings of the investigation is that successful workforce planning must operate in three dimensions if it is to be successful. These dimensions are:

- The strategic and business dimension
- The workforce planning dimension
- The HR implementation skills dimension

Like many aspects of local government, workforce planning has become more complicated in recent years due to the operational environment in which it has to take place. Apart from severe budgetary cuts arising from central government austerity measures, the situation was already becoming more complicated as local authorities voluntarily sought to look at outsourcing of services, sharing services and partnership working, new service delivery models, joining up with services in other parts of the public and private sector etc.

Another pressure revealed through our discussions with local authorities is that whilst the appreciation and use of workforce planning certainly has been growing in recent years and is being better linked to local authorities strategic visions, there is a danger that economic circumstances and consequent 'firefighting' is forcing organisations back to a basic head count and workforce reduction approach. This situation is exacerbated as many HR functions have themselves been subject to severe reductions and cannot support workforce planning as comprehensively as they would like.

The irony, therefore, is that at a time when local authorities most need to use workforce planning, they are in a more complex and, in many ways, worse position to deliver it. Obviously, not all of the above applies to all local authorities, and circumstances and approaches are different for different authorities (including those specifically interviewed as part of this project). However, all the above are points that most people in the sector would recognise.

Does this mean that old workforce planning models are no longer relevant? Another main finding of our investigation is that they are not irrelevant but must be applied in different ways and produce more imaginative solutions. These solutions include taking account of and working to the new operating environment, creating much more flexibility within workforces and creating ways to release and use talent. There needs to be as much of an emphasis on skills development and talent management as types of roles and numbers.

This report is not intended to be a comprehensive guide to workforce planning. What it does do is provide access to some approaches and give tips as to how these can and should be applied. It is hoped that our work with the Local Governments Associations of England and Wales will result in a community of practice that will take these concepts forward.

Skills for Local Government are a Sector Skills Council (SSC) licensed by Government and part of the JSSC group, a company limited by guarantee and a registered charity. They are an impartial, employer-led organisation which works closely with employers across the UK to understand specific skills needs, and design and deliver products and services that improve performance.

They are also the Issuing Authority for Apprenticeship frameworks in England and Wales for the sectors covered by their license namely: Local Government, Justice, Community Safety, and Financial and Legal services.

2. Thanks and acknowledgements

We are grateful to all the local authorities that have participated in this project and investigation. Special mentions and thanks must be made to:

- Nigel Carruthers, Senior Adviser, Local Government Association (LGA) for all his advice and support throughout the investigation
- Melanie Wood and all her team at Birmingham City Council's Workforce Intelligence and Planning Team who delivered a range of diagnostic and other support to a wide variety of local authorities and with whom we have worked extensively in capturing learning, exploring approaches etc. including co-writing parts of this report. Our thanks also for their permission to reproduce a selection of their models and toolkits.
- Sue Evans, Head of Human Resources and Organisational Development at Warwickshire County Council for her informative discussion with us of Warwickshire County Council's approach to workforce planning and the development with Melanie Wood of the PPMA/ Institute of Employment Studies (IES) Business Workforce Dialogue model.
- Peter Reilly, IES for his work in developing the PPMA/IES Business Dialogue and discussing this with us.

The following authorities also took part in the diagnostic and support programme outlined in the report and/ or structured interviews regarding workforce planning. We are very grateful to them for allowing us to use their knowledge, skills and ideas in the compilation of this report:

- Calderdale Council
- Chesterfield Borough Council ,
- East Sussex County Council
- Gloucester City Council
- Harrogate Borough Council
- Kent County Council
- Norfolk County Council
- Nottingham City Council
- Oldham Council
- Poole Borough Council
- South Oxfordshire District Council and Vale of White Horse District Council (jointly)
- Surrey County Council
- Vale of Glamorgan Council

3. Workforce planning issues - a sample diagnosis

Before looking at the three dimensions of workforce planning it is worth considering some of the findings of a support programme funded by the LGA and delivered in partnership with Birmingham City Council and Skills for Local Government throughout 2013. A total of thirteen councils took advantage of this offer in 2013 (further support to other authorities is still underway). Although not a large sample, an analysis of the general diagnostic findings is useful as an indication as to how well workforce planning is operating in the sector.

The offer of support was made to Local Authorities who wished to share their progress on workforce planning. The approach to the work undertaken with each authority as part of the partnership was:

- A self-assessment diagnostic survey devised by Birmingham City Council (approaches to this varied across authorities with some circulating the survey to a broad variety of staff and others using only HR staff)
- An analysis of the responses
- Compilation and provision of a diagnostic report
- Discussion of the report and design of an 'intervention day' tailored to the needs of each authority utilising Birmingham's and others tools
- Delivery of the 'intervention day' by Birmingham City Council and Skills for Local Government

Birmingham City Council, through one of its transformation programmes had invested heavily in HR and had developed a number of tools to move the Council forward on workforce planning. These approaches/ tools were used during the intervention days outlined above and included the following (details of some of these are given in Appendix 4):

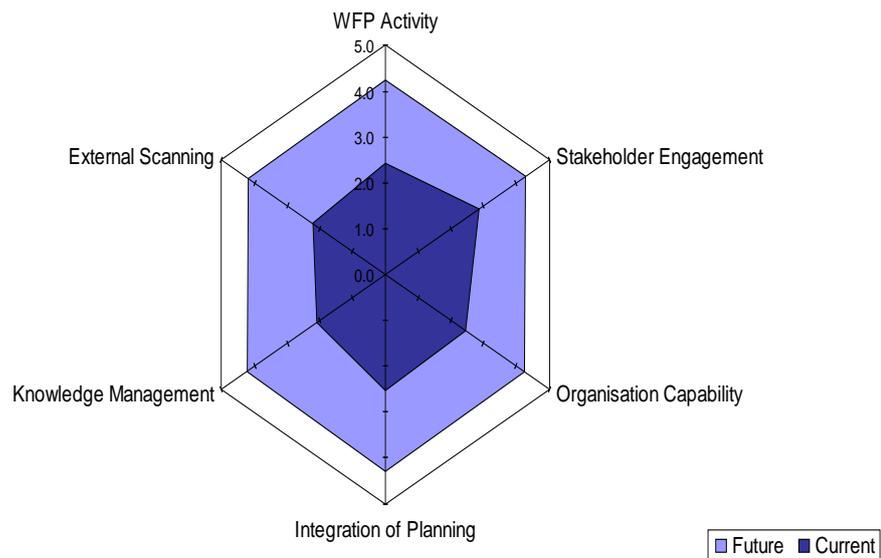
- Workforce canvas
- Management dashboard and information – various analytical tools
- Talent and success planning framework
- Be-inspired

Following the interventions Skills for Local Government then undertook a structured interview with a sample of the participants to inform this report. Skills for Local Government also undertook an analysis of the diagnostic reports which is outlined below. It should be noted that this is a composite analysis and so does not indicate the strengths and areas for improvement of any individual council.

The six workforce planning and people management intelligence themes undertaken as part of the Birmingham City Council self-diagnostic surveys were:

- Workforce planning activity
- Stakeholder engagement
- Organisation capability
- Integration of planning
- Knowledge management
- External scanning

An example is given below of a summary of current practices and aspirations as identified from the self-diagnosis survey:



Current Workforce Planning Capabilities

Although a small sample, an analysis of the diagnostic results has been undertaken. It is important to note that the analysis in this report is a composite approach and cannot be used to assess the capability of any individual council. It is also based only on the first stage of the diagnostic and the self-perception survey. Analysis of the diagnostic findings indicated through their self-assessment diagnostic survey that:

- Eight councils have a medium to low level of capability
- Three councils have a medium level of capability
- One council has a high to medium level of capability

N.B. One of the thirteen local authorities did not undertake a self-assessment diagnostic survey and are not included in the results

These findings are taken from a comparison of workforce planning best practice data. This could indicate that Councils (if their self-perceptions are correct) have either or both of:

- limited resource capability to undertake workforce planning
- relatively few of the practices and techniques necessary in place

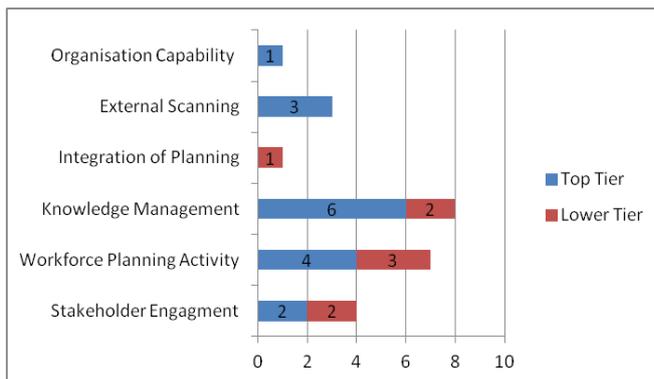
Main Strengths and Areas for Improvement

Key findings from the diagnostic suggest that Stakeholder Engagement is the most common highest rated workforce-planning theme across the sample. Integration of Planning also sits within the higher scoring areas for some councils. However, most councils did not identify themselves as having significant strengths in any particular theme.

Respondent ratings indicate that Knowledge Management is the most common theme that features either as the lowest or in the lower scoring area across the sample. For most Local Authorities in the sample, therefore, this theme poses the greatest risk and therefore may be in need of particular focus to reduce that risk. External Scanning was also a key theme highlighted as development areas for most Councils - suggesting these themes require particular attention if Authorities are to bridge the gap between current capability and future aspirations towards workforce planning.

Within the sample of twelve councils which undertook the diagnostic survey, the approach identified two themes for each as their priority areas for improvement (although the level of priority is variable depending upon the overall capability of the council). The cumulative results are shown in the table below:

Priority areas for consideration



Future Aspirations

Despite the difficulties facing them, a large proportion of the sample has high aspirations for enhancing their workforce planning capabilities. In some cases this will require 'significant' development of their capability and activity to reach their future desired level of workforce planning capability. One quarter of Councils across the sample need to undertake 'considerable' development of their capability and activity to reach their level of aspiration.

4. The strategic and business dimension

During discussions with HR professionals some key points were made consistently as regards preparation and context for successful workforce planning:

- The design of a workforce should not start with a 'technical' workforce planning exercise – it starts with an analysis of the operating environment and business drivers of the council which includes elements such as the needs of the community that the council serves, the services the council wishes to provide in response to those needs, what services the council wishes to provide itself/ commission from others/ provide in partnership etc. This analysis should be a very inter-active approach between service managers and HR professionals
- In any early analysis stage it is often a useful tip to avoid explicit mention of workforce planning. The concentration at this stage should be on discussing with managers 'their business'. Workforce planning in detail comes after the analysis of the strategic environment
- The council should create a vision for what type of organisation it wants to be e.g. a provider, commissioner, low cost etc. This vision should then help shape the overall workforce

Most importantly unless this analysis is undertaken and shared, there will be 'disconnects' between the workforce plan, the service needs and objectives, service managers and HR professionals.

Many workforce planning models mention this early dimension but do not give it sufficient emphasis, treating it like a small preliminary exercise rather than a vital analysis or assume that it has already been done. Many of the people spoken to in the investigation supported the idea of a 'set piece' analysis at strategic intervals that accords with the timing of any strategic or corporate plans, and which is then kept under regular review.

There are various environmental analysis tools or business strategy approaches that can be used for this analysis or individual parts of it. Examples include Michael Porter's 'five forces' model, or Hamel and Prahalad's resource based perspectives etc. Details of these are widely available in many business text books.

However, a model identified in this investigation, which was found to be easy to use, engaging and easily adaptable to a workshop type approach between service managers and HR professional is the 'The Business Canvas'. This model, devised by Alexander Osterwalder and Yves Pigneur in consultation with a wide variety of service managers, entrepreneurs, consultants etc. has been made freely available and provides an easily understandable approach to analysing nine key elements that help shape strategy and, hence, workforce planning. An outline of the model is given in Appendix 1 and a fuller explanation of the model is available in the handbook 'Business Model Generation' written by Alexander Osterwalder and Yves Pigneur.

5. The workforce planning dimension

Assuming that an understanding of the operating environment and the strategy of the council has been created the detailed work of workforce planning can commence. There are very many descriptions of workforce planning available and this section is designed to be simple and succinct and explains what the term workforce planning means, what workforce planning is, why it is needed and the benefits of workforce planning within organisations.

What is it and how is it developing?

Workforce planning is often described as being about having:

- The right number of people
- With the right job knowledge and skills
- Working in the organisation
- In the right job
- At the right time

This definition is probably slightly outdated in view of the complexity and swiftly changing nature of local government. What has been identified in the investigation is that local authority workforces also need to have built into them flexibility, identification of common and generic skills, role design, terms and conditions etc. that allow the shape of the workforce to be changed very quickly to respond to changes in the operating environment, political priorities etc.

Workforce planning also includes trying to predict the future demand for different types and numbers of staff. It is also about recognising that this is not always possible and that the aim is to create flexibility and corporate resilience/ business continuity for when unforeseen consequences arise.

Workforce planning should make links between business strategies and people plans for recruitment, retention, development and training. It also provides the opportunity for longer term thinking about:

- Future pressures
- Priorities
- Services
- Skills

- Risks
- Supply
- Demand

Comparisons between current workforce and services and the desired future workforce and services will highlight excesses within the business as well as indicating shortages and skills gaps or training needs.

Without this process organisations are unable to prepare, plan and action future demand and delivery. Organisations are unable to match the projection with the right supply of the right staff and it becomes impossible to meet the business objectives and achieve organisational success.

Why do we need it?

It ensures that organisations have the appropriate amount of staff, skills, competencies and talent in accordance with the future direction and needs of both that organisation and its clients.

It is a vital business process that aids articulation of:

- Current and future service situations
- Implications on the workforce
- Future demand for staff
- Profile of current workforce
- Estimates of future supply of staff
- Imbalances between surplus, deficit or insufficient staffing

It complements strategic planning by translating strategy into actions to identify workforce staffing and training needs and links to the financial forecasting and budget management. It aids organisational thinking around issues and factors that can impact the business but which are not considered on a day to day basis. This relates to analysis of political, economic, social, technological, and legislative and environmental factors that can all impact workforce planning.

It can help to ensure the delivery of quality services and can save money by cutting costs associated with recruitment problems and retaining good/skilled staff whilst considering and maintaining turnover impacts.

It will aid organisations when undertaking restructures and may minimise costs of redundancies by identifying redeployment or skills transfers.

It will allow organisations the opportunity to consider internal management information and carefully consider data such as age, retirements, contract staff etc, therefore identifying in advance costly skills gaps.

What are the benefits of workforce planning?

Further to the above points, workforce planning will help organisations to specifically:

- Decide how many employees are required
- Identify what skills these employees need now and in the future
- Identify efficiencies through the use of generic skills
- Manage people related expenditure and future changes
- Ensure the organisation is responsive to service changes and developments
- Ensure the training and development is sufficiently provided
- Cope and prepare for peaks and troughs in supply and demand of various skills
- Ensure business strategy and people agendas are linked together and afford the organisation the opportunity to deliver improved services

Effective workforce planning is an important tool to support organisations in maximising resources and building capacity in a structured way.

6. Workforce models, cycles and toolkits

Once again there are a variety of models, toolkits etc. that are available and which describe workforce planning cycles, issues to be examined etc. Two examples are included in Appendices 2 and 4.

The first is a simple cycle and probes model developed by the LGA and Skills for Local Government. The second is an outline of the overall approach and diagnostic self-assessment developed by Birmingham City Council. This is often used to inform their full workforce canvas tool which was used in most of the interventions. The self-diagnostic highlights an important starting point health check for organisations to diagnose its capacity and capability to undertake workforce planning effectively. Both of these tools outline some of the stages, technical issues and questions that have to be considered in any workforce planning approach.

7. Linking the business and workforce planning dimensions

Two dimensions of the total approach to successful workforce planning have now been explored. As is obvious, these should not be treated as completely separate dimensions and there should be a large overlap between them. One approach that can help local authorities do this is the PPMA/ IES Business Workforce Dialogue model.

The PPMA and IES Business Workforce Dialogue

The PPMA and IES have developed a model that goes a very large way to linking the two dimensions. This is the Business Workforce Dialogue (© IES and PPMA 2013) and it is best described by an extract from the PPMA/ IES introduction to the model and is described in more detail in Appendix 3.

'The framework is part of a range of outputs from the PPMA working group which is examining the public service workforce of the future.

The dialogue framework provides a way of integrating complex sets of issues into a simple model. This can be shared to provide more coherence and sense of direction to discussions and plans around both business and workforce planning. It is not a detailed workforce planning tool and is intentionally brief. At the end we give references to some more detailed sources of workforce planning methodology.

The framework is broad in scope, linking fairly traditional aspects of business, service and workforce planning with the broader choices which Councils are making about their purpose and priorities, within financial constraints, and alternative models for service delivery. It includes issues of organisational culture and behaviour, the 'employment deal', leadership and change management.

It is called a 'dialogue' because the framework is designed to support a range of discussions around the future, planning and the management of change. So the various areas are explored as a set of questions or choices. These should in turn lead to a range of decisions and actions on organisation, service and workforce issues'.

8. The HR implementation dimension: barriers and skills

Barriers

Another common finding in the investigation was that it is often difficult to embed workforce planning within a council – no matter how much there is the need for it, how good the toolkits/ models are or how high the professional and technical skills HR team. What became clear is that there is a whole range of associated skills – as distinct from ‘technical workforce planning’ skills - that HR staff must have in addition to their professional skills. These additional skills are around how to introduce and embed workforce planning.

To understand why these skills are required we asked HR professionals what they thought the common barriers to effective workforce planning are. The following illustrates the main answers:

- **Lack of clear vision for the authority**

The authority must have a clear vision for what it wants to achieve and the type of authority it wants to be. This includes whether it wants to be a direct deliverer, commissioner or partner in the provision of service. It must also have a clear vision as to how it wishes to employ and treat its staff and engage with them. It is important that HR staff understand clearly the organisational vision and objectives. Where possible this vision should span a medium term timescale (3 – 5 years) as this will allow workforce planning to have an impact on delivering the vision (large scale change being difficult within a shorter timescale other than basic headcount reductions/ expansions). A clear embedded understanding of the organisational aspirations not only helps align HR to workforce plans of key activities, but will also support a clearly defined workforce and talent management strategy.

- **De-centralisation of business and workforce planning to service level can mean that decisions are not taken corporately or do not help achieve an overall corporate vision or strategic focus**

Authorities need to maintain a balance between the advantages of centralisation and empowerment of individual service units. In recent years many benefits have been achieved through individual managers being empowered to make local decisions and have clear accountability. This can present a problem in a) ensuring the local unit is contributing most

effectively to overall vision and b) in amalgamating all the local requirements into one composite workforce plan for the authority that achieves all the benefits of flexibility, economies of scale etc.

- **Engagement with service managers and financial planners**

Service managers can sometimes fail to understand the need for workforce planning and prefer to respond to workforce changes on a “reactive” and “as and when necessary” basis. In other cases workforce planning is viewed purely as an HR function. HR staffs have an overarching responsibility to ensure service workforce plans align to the corporate strategy. As such they need to act as broker in balancing workforce needs at service level with the wider organisational workforce strategy, to ensure the delivery of the required outcomes. Workforce planning needs to sit as an integrated part of the business and financial planning processes within an organisation and requires collaboration between those with responsibility for business planning, service managers, and financial staff and HR practitioners. This partnership and integrated connectivity then ensures consistency of thinking and approach across an organisation. One of the most sensitive (but vital) skills required here is for HR professionals to be able to constructively challenge business assumptions, delivery methods etc. and still maintain good relationships with managers. In order for HR to achieve this they need to adopt the right language and relationship skills to become strong consultative practitioners.

- **Lack of corporate processes**

HR has a key role in placing workforce planning at the heart of organisation and its own professional business activity. By doing so it will help ensure that the organisation is utilising its most expensive resource in the most effective and efficient way through the alignment of workforce to agreed organisational outcomes. HR needs to position workforce planning as a core business activity, and it is suggested that this is best achieved through an integrated business, financial and workforce-planning framework. HR needs to demonstrate the value of an integrated workforce and business planning approach to the organisation and the strategic leadership. Tools such as those illustrated within this report, provide a good framework for promoting a dialogue between HR and services to support engagement.

- **‘Firefighting’ and capacity**

The pace of change in local government is now so rapid and complex that there is not always capacity to undertake proper workforce planning. This can be exacerbated by too much individual case work being undertaken and reductions in HR capacity. Current financial and strategic pressures on public services means organisations are focusing limited resources onto prioritised service delivery which can mean that workforce planning is often regarded as a “nice to do “ activity, rather than being part of the core functions of the authority. Nevertheless, with the future shape of public services changing, and organisations looking at a plethora of alternative service delivery models, never has the need for strategic workforce planning been greater.

- **Lack of demand management and linking of workforce planning to demand**

Given the pressure on public service resources, service delivery demand is changing which inevitably has an impact on the future shape of workforces within organisations. Alternative models of service delivery and a general downsizing of staff resource, means that workforce planning is now needed more than ever to ensure that organisational workforce structures and staff levels are aligned to service activities identified as a priority.

HR has a role in helping support managers to identify appropriate levels of workforce demand through the use of workforce planning tools. These can help managers look at alternative staffing scenarios and models, and assist in leading managers to consider different workforce options for ensuring optimum service delivery outcomes.

- **Getting dragged into numbers and headcount/ Forecasting skills**

Metrics, analytical data and forecasting are vital to successful workforce planning. However, there are two potential problems here and a balance to be struck between them. Firstly, such systems may be underdeveloped within organisations, beyond baseline levels of headcount, performance and equality figures. HR has a role in not only identifying appropriate metrics for the organisation, but in supporting services to gather benchmark workforce intelligence from both the organisation and from external stakeholders. Secondly, it has to be remembered that workforce planning is not just about headcount and this should not be used as the starting point. The basic business questions outlined elsewhere should be the starting point together with an analysis of the skills required. HR professionals need to

prevent service managers from 'jumping to the numbers' too quickly and be aware of the dangers facing them. For, if they focus on getting clarity around so many futile questions and aim to have all data stored in a spreadsheet they will soon find it is too late to do anything about the gaps in capability and the actual organisational need has been sidelined.

- **Political pressure**

Members may not always understand the need for changes in the workforce – they can also get too involved in the detail rather than letting managers manage. The role of strategic leadership is obviously critical to the determination of the organisational vision and direction. However, members must also appreciate the fact that this may lead to dramatic changes in the workforce that requires specific management skills

- **Managers understanding of workforce planning**

Management development often covers how to manage staff as distinct from workforce planning. Managers' understanding of workforce planning has often been confined to the reactive management of workforce resources as and when the need for restructures have arisen, together with the identification of development needs for staff. However, increasingly managers need to understand and take account of changing workforce dynamics, whether this is through workforce agility or alternative service delivery models. As such they need to have the skills to be to understand workforce metrics, workforce scenario modelling, be able to identify critical roles and individuals within the organisation and be able to identify and manage talent. HR needs to be able to support managers in these skills by aligning management and leadership programmes to cover such areas. Critical to this is ensuring that as practitioners, HR staff themselves, are sufficiently skilled to facilitate this learning and support across the organisation.

Implementation skills

In order to overcome the barriers outlined above HR professionals must have a range of skills supplementary to their technical and professional HR skills to enable the embedding of successful workforce planning. Many of these skills may seem self-evident or 'teaching granny to suck eggs'. However, discussions during this investigation seem to suggest that there is still some scope for emphasising the following skill sets for HR professionals:

- **Be part of the service business team and know the business**

One of the barriers identified are the difficulties that arise when HR is perceived as 'separate' from the business. In some cases this is merely viewed as a structural issue that presents little difficulty but at its worse can be the cause of animosity between service managers and the HR team. One of the skill sets that HR professionals must ensure they have is the ability to ensure that such a perception (no matter how unfair) does not arise. Many authorities have adopted HR Business Partner type models and many of these have proved successful in alleviating such difficulties. However, simply designating HR professionals as Business Partners is not sufficient unless those people illustrate that they are able to fulfil a role as part of the overall management of the service and contribute to all aspects of its development. This includes accepting joint responsibility for decisions made. The new role of HR, therefore, goes well beyond HR technical skills and must include service management skills.

Closely allied to this is the requirement to understand in full the drivers, needs, challenges etc. of the service and not just the HR issues. This may seem self-evident and is not to suggest that HR professionals must become technical experts in fields such as waste recycling, road construction etc. However, they do need to understand the implications of factors such as how new technology may impact upon the service, new legislation, different types of delivery vehicles including legal and voluntary partnership arrangements etc. All of these factors lead onto many important aspects of workforce planning e.g. how to build flexibility into a workforce to meet varied demand patterns, new skills/ redundant skills, new technology requirements, re-training requirements etc. etc. What this highlights is that HR professional do need to be able to work beyond their strict professional disciplines

- **Be accessible and lift not add to the burden**

That HR professional should possess 'soft skills' seems obvious. Maintaining cordial relations, emotional intelligence etc. are vital elements of the HR toolkit. It was noticeable that some HR professional spoken to identified that service managers can appear to not fully engage with their HR Business Partners. There will certainly be occasions where this is the case and this may be due to the characteristics of the service manager. However, HR professionals should challenge themselves as to whether they are contributing to this situation. Three key questions that HR professionals should ask themselves are appropriate here:

- a) How am I making myself accessible? Is this the most appropriate way and is it the way that best suits the service manager with whom I am working (including their own personal communication preferences)? What can I do to make myself more accessible e.g. communication style, change working patterns, social interaction etc.
- b) How am I lifting the burden of the service manager with whom I am working? It would not be surprising if service managers did not engage with HR if they felt that each time they did so they had another issue to solve rather than the solution to one. HR professional should ensure that they practically assist the service manager and lift rather than add to their burden – and they will find that their challenge to proposals will be more readily accepted when this is necessary.
- c) What useful management information can I provide to improve the service? There is a 'flip side' to this in that requests for information from HR can be seen as resource intensive and of little benefit to the service manager. The rationale for the seeking of information from service managers should be clearly understood by all

- **Challenge constructively and seek opportunities for change - an emphasis on 'how to' not 'why we can't'**

One of the most difficult skills for any HR professional is the ability to challenge service managers in a manner which they will accept and value. This includes service configuration, make/ buy decisions, how to create flexible skills and not impose restricting professional specialisms etc. Obviously much of this ability will come from the skill sets outlined above and the credibility and accessibility of the HR professional themselves. This credibility can be enhanced greatly if the HR professional is themselves viewed as a change agent and proactive improver of services. Certainly HR professionals have a duty to advise on HR legislation, risk etc. but it is important that they do not acquire a reputation (which seems to exist in some quarters) for being the person who points out why something cannot be done rather than a facilitator who makes it happen.

- **Keep it simple and relevant**

This last skill set takes us full circle. Workforce planning is not an abstract, technical HR exercise. It should start and finish with the key drivers of the service and how these can be supported. The process of workforce planning does not start with the technical exercise and headcounts etc. All discussions regarding workforce planning must be made relevant to the service manager, comprehensible and viewed by them as a support rather than an imposition

Appendix 1- The Business Model Canvas

This canvas is a model devised and explained in the handbook '*Business Model Generation*' written by Alexander Osterwalder & Yves Pigneur.

Its basic premise is to provide a framework of nine key business drivers that help shape the strategy of an organisation. However, its application can be very flexible and one approach is to first discuss which of the drivers are the most important to the organisation at the time the analysis is undertaken (although starting at the 'Value Proposition' is often useful). This helps identify the key issues for the organisation, build consensus, provide a framework for detailed examination and identify the shape, qualities etc. of the workforce that is required.

A workshop approach to identifying and examining the most important drivers is often useful and can incorporate both service managers and HR professionals to ensure the effective background to the actual workforce planning approach.

<p>KEY PARTNERS</p> <p>Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?</p>	<p>KEY ACTIVITIES</p> <p>What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?</p>	<p>VALUE PROPOSITIONS</p> <p>What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?</p>	<p>CUSTOMER RELATIONSHIPS</p> <p>How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?</p>	<p>CUSTOMER SEGMENTS</p> <p>For whom are we creating value? Who are our most important customers? What are the customer archetypes?</p>
<p>COST STRUCTURE</p> <p>What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?</p>	<p>REVENUE STREAMS</p> <p>For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?</p>	<p>KEY RESOURCES</p> <p>What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?</p>	<p>CHANNELS</p> <p>Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p>	

Appendix 2 - Workforce planning themes

Skills for Local Government identified (in conjunction with LGA) a series of themes and questions that can be explored by local authorities

The workforce planning cycle

A basic cycle of workforce planning is set out below and these are explored more in Appendix 3A which shows the themes, probes and challenges that can be explored

Stage 1 – Understanding the environment in which the local authority operates

Ensuring that the authority is aware of national and local influences and how these may affect the services that the authority wishes to and can supply

Stage 2 – Vision for the Authority

Establishing a vision for what services the authority wishes to provide, its priorities, its standards and whether it wishes to deliver such services itself, through partnerships or through contracted services

Stage 3 – Workforce Requirements

Establishing the number and type of people (together with their skill requirements) the authority needs to fulfil its vision

Stage 4 – Gap Analysis

Establishing the gap between the future requirements of the workforce and its current number and composition

Stage 5 – Implementation and Change Plan

Establishing a clear strategy and measurable plan for managing the transition between the desired and current state of the workforce

Stage 6 – Management and Monitoring of the Strategy and Plan

Ensuring that the plan has a clear management strategy and controls and that these are operating effectively during the implementation process

Stage 7 – Re-affirmation

Ensuring that the Workforce Strategy still meets the needs of the authority (return to stage 1)

Appendix 2A – Workforce Planning Themes for LGA/SFLG model

The following are the key themes that can be examined as regards a local authority's approach to workforce planning. The themes show the types of probes and issues that will be examined under each of the themes.

The themes are as follows and are then set out in more detail below:

- Vision
- Workforce requirements
- Workforce gap analysis
- Workforce change and implementation
- Management and monitoring

Vision

How can the local authority demonstrate that it;

- understands fully national legislative and other requirements as regards the provision of services
- has a clear understanding of local needs and priorities
- has a clear corporate strategy for meeting those local needs
- has a clear approach to strategic commissioning and the mechanisms by which it wishes to deliver services
- has a clear linkage between resource and workforce planning
- has clear and co-ordinated leadership of its workforce planning functions

Workforce requirements

How can the local authority demonstrate that it has a clear understanding of the workforce requirements needed to fulfil its vision including:

- which areas of work will reduce or stop and which areas will grow
- which areas will be delivered differently and in what ways
- which areas of work will be outsourced?
- what new services are planned
- what its organisational structure will be
- what will be done in partnership and who the partners will be
- how it has quantified the number and type of staff needed
- how it has identified the future skill and competence requirements of its workforce

- what sort of workforce composition is needed to ensure that the diversity of the workforce reflects the local community at all levels

Workforce gap analysis

How can the local authority demonstrate that it has undertaken a robust assessment of the gap between its current workforce and its future workforce needs including comparisons of;

- job roles
- grades
- service areas
- full time or part time, full-time equivalent (FTE)
- nature of contract – permanent, fixed-term, temporary, casual etc.
- nature of relationship with organisation – directly employed, employed through a service provider etc.
- working patterns – hours per week, days, shifts
- geographical location
- existing vacancy levels
- ethnic and gender mix
- skill and competency requirements for individual specialisms and core competencies

Workforce change and implementation

How can the local authority demonstrate that it has a strategy for achieving the workforce it requires that;

- identifies the priorities for action
- has a clear action plan for achieving the changes identified
- identifies the key risks to successful implementation
- encompasses:
 - development and re-skilling the existing workforce
 - generating workforce flexibility
 - recruitment and retention strategies
 - pay and reward strategy linked to the above
 - leadership development
 - equality impact assessment
- is realistic about supply side availability

- is linked to the financial resource plan
- takes account of possible partnership working
- has clear milestones and accountabilities
- takes account of the programme and change management skills that managers and HR staff will need to implement the transition
- ensures managers are actively engaged with the workforce strategy and its implementation
- has a clear communication strategy
- encompasses consultation

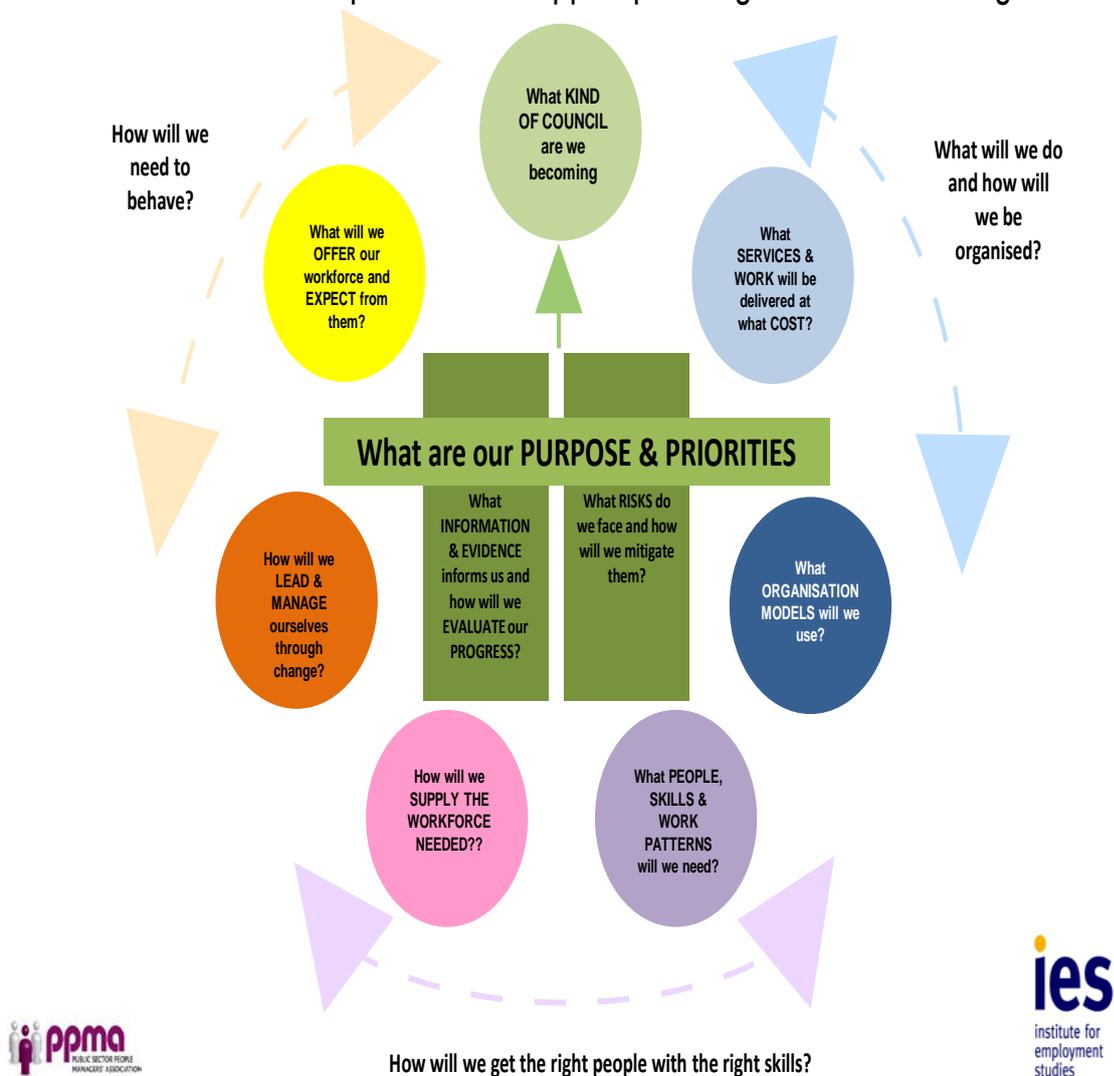
Management and Monitoring

How can the local authority demonstrate that it is effectively managing and monitoring its workforce planning strategy including:

- clear accountabilities
- milestones are being achieved
- corrective action has been taken where required
- risks assessments are kept under constant review
- the overall aims of the strategy are being achieved
- progress and difficulties are communicated
- progress is subject to scrutiny
- the workforce strategy still fits the council's operating environment and vision
- adjustments to the strategy are made to fit changes to the operating environment and vision

The business-workforce dialogue

A framework of questions to support planning in a time of change



The Business-Workforce Dialogue © IES and PPMA 2013

The business-workforce dialogue is a tool which has been developed by a working group of the PPMA (the HR professionals' network for local government), supported by IES.

The dialogue framework provides a way of integrating complex sets of strategic and planning issues into a simple model.

It links fairly traditional aspects of business, service and workforce planning with broader choices about organisational purpose and priorities and alternative models for service delivery within tight budgets. It includes issues of organisational culture and behaviour, the 'employment deal', leadership and change management.

The tool is very brief and modular so it can be used flexibly. Each of the areas covered is explored as a set of questions or choices. These will lead to a range of decisions and actions on organisation, service and workforce issues.

It is called a 'dialogue' because the framework is designed to give greater coherence and clarity to discussions and plans around both business and workforce planning. It is an ideal tool for HR to use in facilitating planning meetings or processes.

The tool is free for organisations to download and use as they wish inside their own organisation. Although designed with Councils in mind, much of the tool would be just as useful for other types of organisation.

IES also offer this version to download for use in PowerPoint, which may be useful for those using the tool in meetings where slides are more helpful. Users are invited to edit the .ppt file to meet their needs, but are requested to keep the copyright statement included at on the last slide.

For more information please contact wendy.hirsh@employment-studies.co.uk

A. What are our PURPOSE and PRIORITIES?
What is the purpose of the Council? What is it here for? Who does it serve? Bearing in mind our context, current strengths and weaknesses and the views of our stakeholders, what are our priorities in the short and longer term?
B. What KIND OF COUNCIL are we becoming?
What is the vision for the Council in terms of its role in service delivery? What values will be central to this vision?
C. What SERVICES & WORK will be delivered at what COST?
What services will be delivered in future with what volumes, at what quality and within what budgets? What other activities need to be undertaken to support such service delivery, at what cost?
D. What ORGANISATION MODELS will we use
How will services be delivered in future? For example, where will we outsource, work in partnership or involve the voluntary sector?
E. What will we OFFER our workforce & EXPECT from them
What will we offer staff and what will we expect from them? How do we expect everyone connected with the Council to behave?
F. What PEOPLE, SKILLS & WORK PATTERNS will we need? How will our demand for people be changing in terms of both numbers and skills? What kind of work patterns will best meet our service needs?
G. How will we SUPPLY THE WORKFORCE needed?
Is the workforce out there to meet our changing needs and those of our delivery partners? How will they be attracted, retained and developed to deliver and support services?
H. How will we LEAD & MANAGE ourselves through change?
What will our managers need to do and do they have the capability to do it? Do we have a clear approach to managing change and the resources to implement it?
I. What RISKS do we face and how will we mitigate them?
What are the risks of the different organisational and staffing options we are considering? How do we adopt a balanced approach to risk – enabling innovation but ensuring adequate resilience?
J. What INFORMATION & EVIDENCE informs us and how will we EVALUATE our PROGRESS?
What evidence should we look for to help us with our decisions? Are we monitoring the right things to know if we are on track?

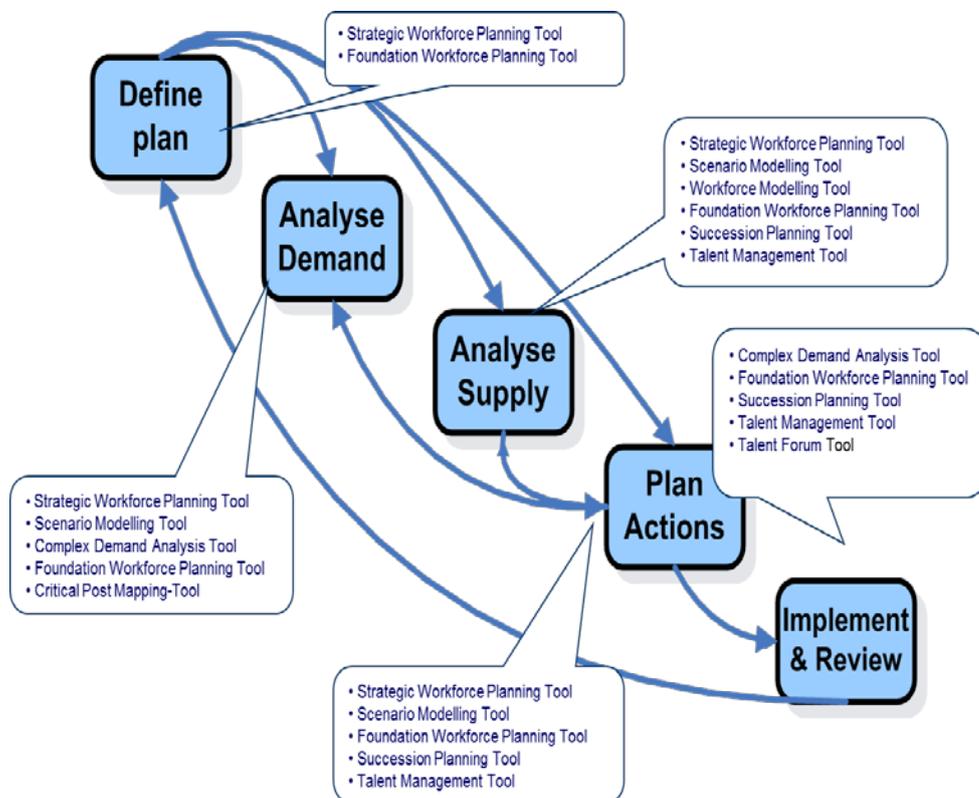
Appendix 4 - Support programme and sample Birmingham City Council tools

During 2013 a support programme was available to local authorities through a partnership of Birmingham City Council, Skills for Local Government and the Local Government Association. The basic programme of support consisted of:

- A self-assessment diagnostic survey (approaches to this varied across authorities with some circulating the survey to a broad variety of staff and others using only HR staff)
- An analysis of the responses
- Compilation and provision of a diagnostic report
- Discussion of the report and design of an ‘intervention day’ tailored to the needs of each authority
- Delivery of the ‘intervention day’

Overall cycle

During the interventions delivered, the tools that Birmingham City Council had developed were discussed in detail. Below is the overarching description of Birmingham’s pathway with the tools that have been developed to assist with workforce planning.



Diagnosis

The diagnostic stage of the programmes helped understanding of each council's perception of current progress against the main success factors for workforce planning. It also demonstrated current progress against each council's future aspirations, analysing clear strengths, areas of development and risks which helped us determine the gaps for each theme. The diagnosis was conducted against six main themes as described below.

Workforce planning themes

The six workforce planning and people management intelligence themes were:

- Workforce planning activity
- Stakeholder engagement
- Organisation capability
- Integration of planning
- Knowledge management
- External scanning

Each theme examined the various factors of operational activity and organisational abilities and engagement. They considered the following:

Workforce planning activity

The basics as outlined above need to be in place in order for an organisation to undertake strategic workforce planning and to ascertain the desired future level.

Stakeholder Engagement

This section demonstrates the successful engagement between any relevant stakeholders and its impact on the workforce planning activity.

Organisational capability

This cross cutting theme shows whether an organisation feels it currently possesses the required level of internal capability for workforce planning to be able to take place effectively, versus the desired future level.

Integration of planning

This section shows the extent to which the planning processes are currently integrated in the organisation.

Knowledge management

This section evaluates the extent a council uses data, knowledge and intelligence to inform its planning activity.

External scanning

This section indicates what extent the organisation currently looks externally for its intelligence, benchmarking data and modelling information, versus its desired future level.

The strategic and operational indicators cover a wide range of activities, engagement and responsibilities. The table below shows the various aspects of analysis:

<ul style="list-style-type: none">• The person influencing workforce planning• The use of information in strategic decisions and policy• External factors and their impact• Trend analysis and planning• The assumptions on workforce planning• The return on investment and its use• The amount of planning currently undertaken• The information systems in place• Communication channels• Forecasting future needs• The accessibility of information	<ul style="list-style-type: none">• The level of planning• The degree of stakeholder involvement• Learning & development capability• Line management engagement• Senior management commitment• HR capability• External data identification and its use• The use of management information in decision making and problem solving• Understanding external research and its use• The clarity of the organisation structure• The management of data
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Following analysis against the above criteria each council was provided with a detailed diagnostic report which offered analysis of the findings and an independent, expert, objective

assessment of where the council currently stands in terms of workforce planning set against their future aspired state.

Identified areas of strength and weakness and clear suggestions of how best to proceed and in what order of prioritise was included and this formed the basis for the focus of the intervention event.

Discussions with each council surrounding the diagnostic report helped to determine what form of support they felt would be most beneficial to them. The type of support varied with the majority of interventions being a blend of advice, design and workshops explaining and working with a variety of workforce planning tools.

An analysis of the overall findings of the diagnostic reports is given in section 3

Modelling

An example of an approach to modelling is given below

	2012/13	2012/14	2012/15
Planned % of change in workforce budget - relative to current year	0%	0%	0%

Modelling Table

relative to current year

Job Family	Sub Group	CURRENT WORKFORCE							MODELLING FUTURE YEARS	MODELLING -	MODELLING -	MODELLING -
		Contract Count	FTE	% of Total FTE	Salary Costs	Adjustment % factor (e.g add-on costs)	Total Costs (salary + adjustment)	% of Total Costs		Average Cost per FTE	2011/12	2011/13
									Change in FTE	Change in FTE	Change in FTE	
LEADER		100	100.00	38.4%	£500,000	26.2%	£631,000	13.5%	£6,310	0%	0%	0%
MANAGERIAL		250	9.10	3.5%	£400,000	26.2%	£504,800	10.8%	£55,473	0%	0%	0%
Expert Worker	Professional	15	10.00	3.8%	£600,000	26.2%	£757,200	16.2%	£75,720	0%	0%	0%
	Technical	20	20.00	7.7%	£500,000	26.2%	£631,000	13.5%	£31,550	0%	0%	0%
	total	35	30.00	11.5%	£1,100,000	26.2%	£1,388,200	29.6%	£46,273	0%	0%	0%
Operational Core	Caring	25	21.40	8.2%	£425,000	26.2%	£536,350	11.5%	£25,063	0%	0%	0%
	Administrative	30	25.50	9.8%	£425,000	26.2%	£536,350	11.5%	£21,033	0%	0%	0%
	Operational	35	29.60	11.4%	£425,000	26.2%	£536,350	11.5%	£18,120	0%	0%	0%
	Unallocated	40	33.70	13.0%	£45	26.2%	£57	0.0%	£2	0%	0%	0%
	total	130	110.20	42.4%	£1,275,045	26.2%	£1,609,107	34.4%	£14,602	0%	0%	0%
Adhoc Workers	Agency	10	5.90	2.3%	£150,000	0.0%	£150,000	3.2%	£25,424	0%	0%	0%
	Consultants	5	5.00	1.9%	£400,000	0.0%	£400,000	8.5%	£80,000	0%	0%	0%
	total	15	10.90	4.2%	£550,000	0.0%	£550,000	11.7%	£50,459	0%	0%	0%
TOTAL WORKFORCE		530	260.20	100%	£3,825,045	22.4%	£4,683,107	100.0%	£17,998	0%	0%	0%

Note: Current Adjusted Average Costs held constant in modelling future years