West Lothian Council

A guide to workforce planning

April 2018

Contents

What is workforce planning?

There is no set model of workforce planning, nor is it a mechanistic or static process. It is about analysing the current workforce, and then extending that analysis to identify the future skills and competencies needed to deliver new and improved services.

The comparison between the present workforce and the desired future workforce will highlight shortages, surpluses and competency gaps, whether due to external pressure or internal factors. These gaps become the focus of a detailed workforce plan, identifying and implementing strategies that will build the relevant skills and capacity needed for organisational success.

Why plan your workforce?

The majority of improvements come when the right people with the right knowledge, skills and behaviours are deployed appropriately throughout the structure.

Workforce planning is about how you achieve that match. It can make the links between business strategies and your people plans for recruitment and retention, staff development and training. It is about how you get to where you want to be.

It also provides the opportunity for longer term thinking about future service pressures and needs, and what you need to do now to get workable strategies in place – not only for people development, but for financial and change management agendas.

Workforce planning is perhaps the most important tool in managing change in any labour intensive service and as such will assist you in:

1.	Analysing the current make up and skills of your workforce	**Where are you now?**
2.	Identifying the future workforce required to deliver changing services	**Where are you trying to get to?**
3.	Highlighting shortages, surpluses and competency gaps	**What are the gaps?**
4.	Planning how you will change your workforce to meet your service needs	**How are you going to get there?**

Workforce planning should be an open process conducted with the collaboration of staff, trade union representatives and partners within and external to the Council it should be developed in accordance with best practice and procedures.

The benefits

Workforce planning will help you to:

- Decide how many employees will be needed for future demands
- Cope with peaks and troughs in supply and demand for different skills
- Deliver improved customer focus by aligning service plans to people plans

- Retain employees and identify longer term workplace accommodation requirements
- Implement diversity policies effectively
- Manage staff performance and sickness absence
- Ensure that sufficient and appropriate training and development is provided
- Build links between Financial Planning and WLAM requirements

Your plan should be prepared, reviewed and updated on a regular cycle that links closely with the Council's Business Planning Cycle.

The process

The process for establishing a workforce plan is as follows:

Stage1	**Stage 2**	**Stage 3**	**Stage 4**
Where are you now?	Where are you trying to get to?	What are the gaps?	How are you going to get there?

Stage 1 – Where are you now?

It is important that the Head of Service and senior management team are signed up to the process and champion the cause, providing the necessary leadership to ensure the process is implemented effectively and consistently.

Establish current position

The key outcomes for this section is to generate useful information from a variety of existing management information systems and bring it together into a coherent framework for a specific service or directorate.

Allied to this is the generation of quality information about the supply of skills internally, in the wider external labour market and partner organisations. This is being driven by the need to address both shorter-term issues of recruitment and retention and longer-term business needs like partnership working.

Workforce profile

An in-depth understanding of the existing workforce is the basis for looking at trends and will help to establish strengths and weaknesses of your current situation. The information required for effective workforce planning will be collated from a number of sources. A workforce profile to support workforce planning has been suggested and will be collated from a number of sources:

- **Workforce profile** – Should provide comprehensive information on the current workforce

- **Service specific information** – information that may be useful includes

    - Service plans
    - Improvement plans

- Planned initiatives
- Project work
- Budgeting
- Predicted legislative changes
- Benchmarking information

- **Workforce profile and questions to consider**– appendix 1 provides details of the types of issues that should be considered when developing a workforce plan

- **Corporate Information** – this could include the following:

  - Corporate Plan
  - Single Outcome Agreement
  - Locality Plans
  - Service Plan
  - Improvement Plans
  - Modernising Agenda
  - Financial Strategy
  - Risk management plan and policy

Stage 2 – Where do you want to get to?

To ensure that the service has the right people in the right place with the right skills at the right time to deliver continuously improving services it is necessary to try and predict the level of service required and the way that it will be delivered in the future.

Although it is impossible to predict the future with any certainty, undertaking this process enables the organisation to make staffing decisions now that take account of the longer-term context.

To help make that assessment the following information will be important:

- A clear understanding of the corporate vision and objectives
- The likely impact of central government initiatives e.g. efficiency review
- The key objectives for each service area.
- Planned major changes/reorganisations
- The predicted workforce profile in five/ten years
- What initiatives are already in place to fill future skill gaps e.g. succession planning, specific training initiatives
- Recruitment and retention hotspots
- Demographic changes that could impact on services

See Appendix 2 for the PESTLE model. This lists the external factors to be considered e.g. political, economic, social, technical, legislative and environmental which may influence where you are trying to get to.

Stage 3 – Where are the gaps

Having established what the future may look like together with the skills and competencies that may be expected it is necessary to compare that information with the information gathered from Stage two. Once the imbalances have been identified it will then be necessary to prioritise based on their impact.

Prioritisation of Gaps and Needs

The following table identifies the types of gaps and needs that may be highlighted as part of the workforce planning process

	Low impact	High impact
Large gap	**Priority 3** large gap and low impact	**Priority1** high impact and large gap
Small gap	**Priority 4** small gap and low impact	**Priority 2** high impact and small gap

Stage 4 – How are you going to get there?

Develop Your Workforce Development Plan

Once the gaps have been identified and prioritised it will be possible to draw up a workforce development plan that will set down how you intend to deal with them. Not all of the gaps may be capable of local solution but it will be possible to identify regional and national issues enabling both West Lothian and other local authorities to work together with local and national agencies to help find appropriate solutions.

The workforce development plan is an action plan detailing what action you will take to meet future needs. Actions should not be restricted to learning and development solutions only but should also include the following:

- Redesign and remodel jobs
- Opportunities for joint delivery or shared services with partners
- Extended sources of recruitment
- Enhanced role/promotion opportunities for internal employees across service boundaries
- Review of qualification and entry requirements for posts that are difficult to recruit
- Greater job flexibility e.g. more flexible working
- Increase learning and development opportunities
- Undertake process redesign and improvement
- Improve productivity

The workforce development plan should also include performance measures to measure progress and clearly indicate resource implications. It should also take account of other initiatives that may impact upon the plan.

Review and Evaluation

For workforce planning to be effective it should be subject to regular review and evaluation. The review process should be integrated into the annual service planning process and should be updated when major initiatives/changes are planned. The

authors of any reports proposing significant changes within the service or directorate should therefore be required to show the people management and consequent resource implications of their proposals as well as the impact upon the workforce development plan.

Making the Process Work

For the process to work there needs to be:

- Commitment from the senior management team and leading members.
- An approach that is merged into existing corporate and service/business planning processes rather than something which just appears to make more work.
- Willingness by managers to help, especially in identifying future service needs.
- A champion or champions with influence to drive the initiative forward.
- A flexible approach
- A willingness to look at a variety of different and innovative solutions to resolve supply, competency and skill gaps

Further Information

https://www.local.gov.uk/ - Local Government website

http://www.scotland.gov.uk/home Scottish Government information

http://www.improvementservice.org.uk Improvement Service

Workforce Management Team – HR Services
Email Learn2develop@westlothian.gov.uk

Appendix 1 – Workforce Profile Questions to Consider

<table>
<tr><td colspan="3" align="center">Workforce Profile</td></tr>
<tr><td>Topic</td><td>Questions to consider</td><td>Gaps/issues Identified</td></tr>
<tr>
<td>Employment Status</td>
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Has your workforce grown - or reduced?
Does this change match with your plans or did something unexpected happen?
Is there a trend towards part-time working?
Is it at all levels or only certain grades?
Are there levels of staff, which are more likely to work part-time?
Does this mix of full and part-time staff affect shift arrangements
Has your agency/temporary staff increased or decreased over the review period
Has your use of overtime increased or decreased?
Have you examined the reasons for overtime working

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<td>Salary Grades</td>
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Is the distribution appropriate for service delivery
Is there a relationship between salary band and gender

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<td>Equality Issues</td>
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Is this mix appropriate – does it match your local population?
Have you analysed your ethnic mix by grade/level and by training uptake to ensure equality of opportunity for all your staff?

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<td>Age Profile and Length of Service</td>
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Have you tried to match the age profile with the length of service patterns to see how this is contributing to your retention issues?
Have you used this to inform your succession and development plans?
Can you use this information to estimate likely turnover?
Are there clusters of retirements at certain ages or in certain groups?
What are the key skills and knowledge you will be losing when these people retire?
Have you looked at how to replace these skills?

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<td>Leavers</td>
<td>

Is the rate unusual? If so, can you explain why?
Is your turnover rate consistently high or low?
Does this vary by staff group or by grade?
Is there a trend building up?

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	• Have you analysed the reasons why staff are leaving? Is there a particular labour market issue involved here (e.g. new employers in the area offering more competitive terms and conditions) • Can you see a relationship with high levels of recruitment, vacancies, age etc? • Is there too much stability in some areas?	
Recruitment	• Is the vacancy situation unusual - if so, why? • Which posts are particularly hard to fill? • Has the recruitment effort been redirected to address the problem areas? • What other strategies are being explored to reduce vacancies? • Have you looked at the cost-effectiveness of your recruitment effort? • Is your actual recruitment reflecting your equal opportunity targets? • Have you looked at the labour market for other forms of recruitment and other sources of recruit? • Have you been able to recruit enough new qualifiers? • Have you had skills issues with the new qualifiers? Has this been followed up? • Are staff aware of opportunities and possible career pathways? • Has additional training been required to up skill staff? • Do you support staff to pursue necessary qualifications (i.e. appropriate study leave etc)	

Appendix 2 - PEST/LE Model

PEST/LE Model for Workforce Planning	
Political Issues	**Economic Issues**
- Accountability - Transparency - Equal opportunity - Diversity - Best value - Partnership working - E-government - Public/private finance	- Pay rates - Skill shortages - Economic development plans - Cost of living - Housing costs - Corporate risk
Social Issues	**Technological Issues**
- Changing customer expectations and needs - More sophisticated market - Changing demographics - Changing employee expectations and need e.g. work/life balance - Inequalities and deprivation - Qualifications, skills and competencies - Flexible working opportunities	- Innovation – new equipment, new techniques, new methodologies - Information technology - Communications - Improved transport/increased mobility - New ways of working
Legislation	**Environmental Issues**
- Service obligations - Employment legislation - Human Rights Act - Environmental legislation - European directives	- Increased awareness and expectations - Local markets - Stricter controls - Pressure groups