

Workforce Planning

Within this tool Workforce Planning has been segregated into 5 main response based issues, which are a consequence of the main drivers of change of a project of this nature. Evidently, there is a degree of overlap and linkage between these 5 main concepts but this tool is intended to provide an initial framework to assist you in moving forward towards the implementation stage.

As IDEA note, 'Workforce planning is the process of getting the right people, with the right skills in the right jobs at the right time.' Hence, the development and implementation of HR policies is crucial to obtaining and retaining a high performing workforce. Human Resources are fundamentally people that staff and operate an organisation, covering a range of applications that will vary amongst organisations.

Effective workforce planning and the integration of new HR policies to enable Councils to take advantage of modern working methods is essential, and should be a key workstream within a workplace transformation project or accommodation change.

The following 5 concepts should be considered from the outset of a workplace or accommodation change project. Strategic and detailed policies around these concepts should be delivered as the project progresses further towards implementation.

1. Shared Services

Communities and Local Government, in their paper 'Developing the local government services market' define shared services as 'where two or more authorities work together to commission and/or deliver a service or function for the purposes of improving that service or function'. It appears that such a concept is well documented amongst local authorities although the full implications/opportunities of shared services remain at a preliminary stage.

According to the IDEA, this will involve redesigning jobs and work processes to improve customer services and reduce costs, with the ultimate aim of improved efficiency. It can often entail the centralisation of back office services such as HR and can enable multi function working (e.g. linking HR and Finance together). However, front office services can also be shared such as a Customer Contact Centre.

Examples of shared services within local authorities are plentiful. One such example is multi-agency arrangement between Stoke City Council and its partners to set up a single service organisation to provide housing, health, police, council and voluntary sector services to a housing estate with complex and overlapping needs.

IDEA produced 'workforce planning in shared services' which addresses the key issues, including an analysis of HR functions in a shared service – such as undertaking a SWOT analysis to identify key areas of activity or improved methods of working, scope and degree of commonality between parties required and the degrees of standardization of delivery. Shared services within HR would include recruitment processing, pay and benefits administration, training, and personal information/data processing. Once implemented, HR will need to focus on the type of skills, knowledge etc required within the new structure, identifying gaps and communicating with staff the proposed changes.

IDEA note that HR could undertake a feasibility study to consider questions that include: which transactional elements of the service lend themselves to the shared service model? can the functions and processes be mapped? are teams able to measure existing work processes in which savings are to be secured?

The IDEA website also advises on the general considerations, processes and possible monitoring/outcomes of shared services in workforce planning. One such method is the use of benchmarking by the use of key performance indicators. IDEA note that this allows for a more effective corporate view of potential HR implications and informs any possible changes to other HR policies or the development of new policies. This data can then be utilised to support the management of the recruitment process, develop an overall view of the redeployment situation and, where required, develop exit strategies.

The Audit Commission in 'For Better, For Worse Value for money in strategic service-delivery partnerships' recommend councils invest appropriately in their client-side management capacity, ensuring adequate resources and the right mix of skills are matched. This is important during procurement and ongoing contract management. For example, when council employees are due to be transferred to contractors, councils should consider carefully whether certain key individuals may be best placed undertaking a client-side management role.

Shared services survey 08 by BrowneJacobson highlights key areas for joint management including Procurement considerations and timescales, communication amongst participating authorities and staff, managing partnerships, compliance and exit routes. Relevant case studies to these issues are provided.

Any workplace transformation project should evaluate the potential for delivery of shared working, and incorporate the impacts this shared working may have on a Council's office / workplace requirements. For example it may be that touchdown areas within a Council's proposed office may need to facilitate use by partners providing shared services, and this will dictate the location, ease of access and ICT needs of those touchdown areas. Alternatively, through their shared service partners, the Council may be able to rationalise space by moving their staff to remote working and operating of the shared service partners office / workplace.

2. Outsourcing

Outsourcing differs to shared services, where an external third party is paid to provide a service that was previously internal to the buying organisation, typically leading to redeployment and re-organisation. This is often utilised to secure economies of scale in both service delivery and in procurement/commissioning, enabling the organisation to concentrate on core competencies. In the paper 'Developing the local government services market, it is noted that 'bundling up' elements of large ICT-driven transformation programmes into single contracts, for example, can be an effective way of transferring the risks associated with such contracts away from commissioners and towards suppliers. However, local authorities must be wary of becoming over-dependent on one contractor whilst being into tied contracts.

HR services themselves can be outsourced, and this arrangement will vary from organisation to organisation. Some organisations may outsource virtually all of their HR processes where others select specific components such as payroll or resourcing. For example, Dartford Borough Council has outsourced its entire HR and payroll function, believed to be one of the first of its kind. The Kent authority, with 400 employees, had five HR staff and one worker in payroll before signing the deal with Northgate. From April 2008, HR processes will be carried out using the Resourcelink intranet system, with back-up from one Northgate employee on site and others providing remote support.

Large shared services may require further outsourcing – see ‘procurement and two-tier workforce issues’ on the Local Government Employers (LGE) website. Property services are also an area of outsourcing many Council’s have investigated.

Clearly if a support function or other Council workstream is to be outsourced, this will materially affect the workforce in terms of numbers, location and workstyle. This change in the workforce, and the way it will need to use the organisations workplace, should be identified and considered early in the project lifestyle.

3. Flexible Working

Key to the success of a workplace transformation project is the appreciation of potential flexible working benefits, as well as being aware of the need for policies (HR as well as Health and Safety) to support such process change. Flexible working covers flexibility in terms of time (e.g. part time, shift work) and location (e.g. homeworking).

The increasing global trend towards flexible working practices raises a number of questions regarding future office space with the spread of wi-fi and other associated mobile technologies, to create a highly mobile workforce. This leads to changes in the workforce with the growth in hot desking or hotelling, touchdown benches, informal meeting spaces etc, which contribute to a changing layout and design of office space. It is therefore important to provide staff with a variety of alternative work settings to suit the task they are performing, which in turn means the concept of average occupancy density needs becomes less applicable. Managing the office space this way leads to increased efficiency of space with reduced space allocations per workstation and the removal of empty workstations with hot desking, desk sharing etc.

HR has an important role to play in the development of flexible working through the support for remote/home working in providing the necessary technology and communication protocols. For example, issues such as how staff will be contacted when away from their desk or at home, who pays for equipment use etc could be addressed by HR. Staff and customers alike could be able to call staff on a local extension and get through to the office or their home without having to be aware of where the member of staff is located. HR can provide staff with the necessary technology to perform tasks away from their desks such as providing computers in towndown areas, supported by an adequate booking and tracking system for tasks such as hotelling. In addition, HR can manage training managers to deal with remote/home workers, as well as implementing it as a tool for ‘return to work’ practices flexible retirement options and in the end more flexible employee contracts which can save significant costs.

This Toolkit provides examples of implemented flexible working projects. Tower Hamlets LBC rationalisation of the Council’s office accommodation incorporated flexible working

practises into the new designs through hot-desking, shared meeting rooms and break out areas. This resulted in providing an overall 27% work station reduction.

'Working without Walls' by the OGC, Chapter 5, provides a number of case studies illustrating the procedures and benefits of flexible working. Working without Walls notes the use of structured workplace change management programmes is now becoming common best practice to help manage such changes.

Ultimately, flexible working is not appropriate for all employees or business units but DTI guidance on flexi-place working acknowledges that it should be marketed beneficially with clear targets for increasing take-up and fundamentally ensuring staff. The emphasis of management is on pilot schemes and change management programs, ensuring staff are consulted throughout the process via interactive staff workshops for example. 'Working Without Walls', Chapter 10, provides a detailed breakdown of methods in which to manage flexible working practices.

Cambridgeshire County Council have implemented 'work wise' which provides new ways in employing people which the use of touch down centres for example. Further information and case studies are found in the IDEA's article 'Faster, Fitter, More Flexible'.

The Economist article 'Nomads at last' provides an analysis of the benefits of flexible working concentrating on the role of technological improvements to the working environment.

4. Competing for Staff

This can entail numerous approaches with the need to attract the best people in an increasingly competitive about market. Ultimately, there is the need to make local authorities enticing organisations to work for. Improving the workplace and allowing staff to operate remotely, flexibly and the adoption of modern working methods will all improve the public sector and particularly Council's staff retention and their ability to recruit high calibre staff.

HR issues regarding recruitment problems and competition for staff are moving away from a primary focus on recruitment to a holistic focus on people's whole work experience.

Succession planning is an increasing issue that requires attention. The London Borough of Croydon, for example, has an average retirement age of 47. Evidently, HR will be able to identify any potential skills gaps in the near future by examining the age profile of their employees in key occupational and professional roles. In addition, authorities will need to contribute to developing the next generation of skilled employees by taking on trainees whilst providing sufficient training for both existing and newly employed staff. For example, Employers' Organisation in Workforce Development Planning: Guidance Document recommend the use of entry-level development schemes linked to career graded job roles to increase the number of new/young people in local government, along with a fast track skills development programme and more flexible working hours for those approaching retirement. Evidently retaining staff is key for local authorities, in the first instance for a cost perspective as it is more efficient to train existing staff.

An Employer of Choice Strategy is an important part of an organisation's HR plan and aims to create an organisation that employees at all levels believe in and understand. This is to be supported by HR policies on flexible working opportunities, good training and development, modernised pay structures, and general working environment. At a preliminary stage, this could be measured by a staff survey and consultation exercises to identify priority areas for action.

An enhancement work environment has an important role to play in competing for staff, and a key factor in job satisfaction. This is not just a physical space issue. Policies that support flexible working can enhance the work environment and potentially workforce productivity, to provide an atmosphere and environment which matches the aspirations of the younger population entering the workforce.

5. New Job Roles

This can be directly linked to the concept of shared services as setting up such services usually requires redesigning jobs and work processes.

Work processes can be developed and monitored through a new workforce management and information system. Shared services will ultimately impact on workforce jobs and roles, with HR focusing on the type of skills, knowledge etc required within the new structure, identifying gaps and communicating with staff the proposed changes. Staff will often need to be formally transferred across to the shared services entity and HR have an opportunity to build trust between the two parties.

One consequence with the creation of new job roles will be the need to modernise pay systems to reflect new structures whilst offering more flexible contracts to reflect new jobs roles. Once policy could be the introduction of sliding scale contracts on an either contractual basis or and 'if and when' basis.

Through a developed appraisal system, key processes will include analysing workforce data to collect up to date information and discover issues such current and future skills gaps, percentage of people approaching retirement age, services that require staff retention, recruitment etc. Such a process will enable Councils to decipher future workforce issues and hence has implications for future accommodation requirements.

See IDEA's article 'Faster, Fitter, More Flexible' in the Knowledge Portal on the section entitled 'reshaping for excellence', which summaries the restructuring of Cambridgeshire County Councils' workforce.

The issues previously raised regarding Training & Development and Staff Numbers are judged to be part of the implementation phrase as opposed to a main response issue.

Ultimately, as IDEA note, workforce planning must be regarded as a mainstream management activity engaging the entire workforce and cannot be undertaken by HR and personal staff and consultants in isolation from business units and services. Workforce planning, focusing on the primary issues detailed above, should be a key workstream undertaken before, during and after any workplace transformation and accommodation change programme.