

Natural Resources Wales

Board Meeting

21 May 2013

Paper Title	Workforce Planning 2013/2014 and Beyond
Paper Reference:	Paper NRW B (O) 8/13 – May 2013
Paper Sponsored By: Paper Authored By:	Liz Davis Adrian Williams, Helen Jones

Purpose of Paper:	This paper aims to address two key areas. • To provide an early assessment of NRW's workforce, identifying potential gaps and issues that need to be addressed during the current financial year. • To identify key areas of work that need to be addressed to develop a longer term workforce plan in support of NRW's Corporate Plan and our transition/transformation programme
Recommendation:	To agree to the short term and longer term workforce planning proposals set out in paragraphs 13 and 14.
Decision Required:	Yes

Impact:	Impact on the Environment: Having an appropriately sized and trained workforce will enable us to achieve our environmental outcomes Impact on the Economy: Nil Impact on Community: Nil Impact on Knowledge: Yes. This paper seeks to put in place some important strategies and plans relating to succession planning and knowledge transfer of key skill areas.
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Issue

1. As a new organisation, NRW needs to ensure it is in the best possible position to deliver the outcomes set out in the business plan. A vital aspect of this is to ensure that the staff of NRW are suitably prepared, in terms of skills and training, to deliver key business objectives. Workforce planning provides an important tool to identify the human capital required to meet organisational goals and develop the plans and interventions to meet those requirements. This paper provides an early assessment of NRW's workforce, including potential gaps and issues that might need to be addressed during the current financial year. It then identifies key work needed to develop a longer term workforce plan in support of NRW's Corporate Plan.

Background

2. Workforce planning is about analysing the current workforce and then using that analysis to help the business identify the future skills and competencies needed to meet the business plan priorities, both in the short and longer term. Successful workforce planning helps ensure that the organisation has the right people with the right skills in the right place at the right time. Workforce planning works best when it is incorporated into the overall business planning process – making a connection between the organization's strategic intent and key objectives, as set out in documents such as the Corporate Plan and Business Plan, with the implications of that in terms of the shape, size and skills of the workforce itself. The "Workforce Plan" sets out a clear representation of the workforce needed to accomplish the organization's strategic intent and provides a comprehensive plan of action to ensure that the appropriate workforce will be available when needed. A Workforce Plan will adopt a variety of tools and approaches to achieve this, ranging from the alignment of HR policies and practices with the strategic intent, to interventions around vacancy management (what posts you fill, what you do not), the reskilling and retraining of staff and the operation of staff exit schemes. Necessarily, a good Workforce Plan will need to be both dynamic and adaptive to ongoing business requirements, with a focus on addressing the tactical issues (within 3-6 months – for example, need more project manager trained staff to run a planned change programmes), to more operational needs (typically 12-18 months – for example, need to grow/obtain specific skills to deliver the transition of key services out of EA (England)) and the longer term strategic requirement (18 months - 5 years – for example, we need to manage our staff headcount down to a certain number to address known future budgetary restrictions).

3. Workforce planning is one of a number of key HR services that are provided in support of the business and individual, covering the full "life cycle" of a staff member¹.

Approach

4. A classical approach to workforce planning would seek to work methodically through a range of questions to formulate an NRW Workforce Plan. These might include looking at what skills are currently vital to the accomplishment of an organisation's goals and objectives, before then identifying what changes are expected in the work types/patterns and what this might mean in terms of the skills and workforce numbers. This process

¹ Full list are: Planning, Vacancy Filling, Reward and Recognition, Induction and Development, Performance, Exit.

would then seek to identify what changes might be necessary to HR management policies and practices and what other actions and resource decisions might help to alleviate gaps (shortages or surpluses) between the future desired distribution and the projected future workforce.

5. At this early stage for NRW, it has not been possible to bottom out fully the answers to such questions and, in a number of areas, only tentative indications can be given. Further detail will come from the first Corporate Planning cycle and more information on new posts and potentially new/different skillsets will come from our Transition/Transformation work and Directorate restructuring. However, it is already clear that budgetary pressures will require us to bear down on our overall headcount numbers over the next 2-3 years and develop a different skill base in a number of areas. Achieving all of this will require a robust Workforce Plan with a broad range of workforce planning approaches. Whilst highlighting that more detailed work is needed in some areas, we believe that there is sufficient information available to inform key early workforce planning priorities.

6. Working within the above framework, the paper begins by analysing the “as is” NRW workforce before identifying key Workforce Plan priorities and issues for the coming year, including approaches to the planned VER scheme and Vacancy Management. The paper then looks ahead across the Corporate Plan timeframe and identifies the work required to develop a more detailed and longer term Workforce Plan beyond this year.

Current NRW Workforce Characteristics

7. Good data is an essential prerequisite to being able to analyse a workforce by its key characteristics. Currently, there are some real limitations in gaining a clear picture of NRW’s existing skill base as the soft data is sometimes either incomplete or not consistently available across the organisation. In particular, there is very limited data on skills and the different systems and skill frameworks previously used to capture this data across the three bodies make it difficult to analyse the data in a systematic way. Later in the paper we identify ways to improve the “data gap”, but the “as is” analysis is based upon the data currently available.

8. As at the 1 April 2013, and using TUPE data, NRW have 2188 staff, 1835 (84%) of which are full time. Annex A provides a series of graphs and pie charts which present the information against the following workforce characteristics: age profile, length of service, grades, gender profiles and working patterns. Further detail is added at Annex B which sets out data by Directorate. Annex C provides data on staff losses from natural wastage and VER schemes. Some key points to note:

- The average age of NRW’s workforce is 44 years, with the majority of staff having 15+ years service. Potentially, this presents a risk of future skill losses for NRW as we have many specialist skills that are gained over a long period and are difficult to replace through basic recruitment. We need to be prepared for possible exits with a knowledge capture/succession planning processes in place.
- Linked to the above, some 10% of staff are currently aged 56+, with some 2.5% over 60, and who may therefore be planning to retire in the near future. This reinforces the importance of succession planning and timely skills transfer.

- Less than 15% of the current workforce is under 30, whilst almost 25% is over 50. This may give us a workforce and skills imbalance in future years. It would be sensible to look at ideas such as the expansion of graduate and apprentice schemes, particularly in areas of critical skills/skills shortages.
- Some 40-50 staff per year left the 3 legacy organisations over the last 3 years, made up of general leavers and staff who retired. This figure of 2-2.5% is fairly typical in the public sector (2-3%). The figure may have been depressed slightly by the availability of VER programmes in CCW and EAW, which saw some 30 people per annum leave under recent schemes. A natural turnover rate of 2.5% would seem reasonable for NRW planning purposes.
- We have not been able to identify comprehensive or consistent skills data to underpin our workforce assessment. This is a major deficiency. We will redress this by carrying out a skills audit to help inform the longer term workforce plan.

Other Issues

9. At present, a key unknown is what are the plans, in terms of numbers and trajectory, for NRW's workforce? Workforce costs currently amount to some 40% of NRW's budget (salary). Whilst this work has yet to be done, it seems clear that the focus will be upon reducing numbers and costs – we start with an opening deficit on the budget and have a significant cash realisable saving to find over future years. Achieving this may, in some cases, require us to lose existing staff and hire new, but in many situations we will want to retrain and reskill existing staff. All this needs to be built into restructuring plans.²

10. In terms of current skills gaps, the Living Wales work identified a range of near term skills issues for action. Whilst the most immediate "Day 1" skills issues were addressed, less immediate gaps were left for action as part of NRW normal business. NRW should now revisit this list and, where appropriate, identify options to address them - for example, there are specialist skills pressures around permitting work and flood risk management. There are also shortages of ICT staff plus shortages of ICT "Project Managers" to take forward developmental projects. This work should be carried out now with ED, with results also used to inform the VER scheme.

11. More work is also needed to look at NRW's future skills requirements over the next 2-3 years as key services are transferred out of Bristol and Edinburgh. NRW resource pressures, together with the real organisational and staff development opportunity that this presents, suggest that we should focus on growing much of this capability ourselves (be it to do the work ourselves or as an "intelligent client" to manage others). However, delivering this will require careful planning between HR OD and the Directorates and Transition Teams to ensure that new skills and capabilities are developed and brought on stream in a timely fashion.

12. As already highlighted, it is planned to run a VER scheme in the current year. We must ensure that key skills are not lost in this process. The work above will highlight whether there are any critical skills areas that we need to retain. As part of the application process, it will also be important for

² A more detailed paper will be available for the Remuneration Committee (14 May 2013)

managers to comment on any particular skills issues and for the skills issue to be part of the VER selection criteria. Specific proposals on the operation of the VER are set out at Annex D.

13. The other key immediate requirement for workforce planning is to have in place vacancy management process. Such a process is needed to ensure that, when a vacancy arises in the business, we have a robust arrangement in place to decide whether the vacancy needs to be refilled or whether the role can be addressed in a different way (for example through restructuring or reskilling etc). A key requirement here, particularly in the context of budgetary pressures, is to make sure that there is a coherent process to address vacancies not just in terms of their individual business criticality (or not), but also the wider opportunities from reskilling other staff and the potential impact of the Transition/Transformation programme. One further tool is at Annex E.

14. Other important issues include the enhancement of leadership skills. NRW will only be successful if it is well led. There needs to be a development programme for line managers and team leaders as we restructure and they inherit new teams.

Next Steps

15. The above are seen as key priorities for in year workforce planning:

- Work with Directorates to identify key current skills shortages, identifying remedial measures.
- Ensure skills issues are considered as part of VER decisions.
- Develop costed proposals for new apprentice and graduate schemes for NRW.
- Develop a succession planning and knowledge transfer strategy.
- Developing costed proposals for leadership, professional and personal development.

16. The following are seen as key early work for longer term workforce planning:

- Carry out a skills audit to capture a comprehensive record of existing skills
- Ensure that workforce planning issues are considered and addressed as part of all Directorate restructuring and transition/transformation programmes.
- Support the NRW Corporate Planning process and develop a detailed Workforce Plan over the same timeframe, including personal and professional development.

Risks

17. The area of workforce recruitment, retention and skills has traditionally been one of both risk and opportunity for all organisations. This is particularly so for NRW, with its significant change agenda, plus transfer of services from other UK areas. Developing a workforce planning approach will help to manage and mitigate this risk.

Financial implications

18. No immediate financial implications. The VER scheme has been funded from a mixture of Welsh Government Invest to Save funds and NRW funds. Costed proposals and plans will be developed in due course to address some of the other specific proposals put forward.

Legal and Compliance Issues.

19. Nil.

Communications.

20. Issues surrounding workforce planning and development will be of close interest to all NRW staff and the Trades Unions. A communication plan will be prepared as part of the workforce planning process. Specific communication work will also be included as part of the VER scheme.

Equality Impact Assessment.

21. Nil at this time, but an EqlA may be required downstream in support of specific workforce planning activities.

Annex A NRW Current Workforce Profile

Table 1 Age distibution of NRW Workkkforce

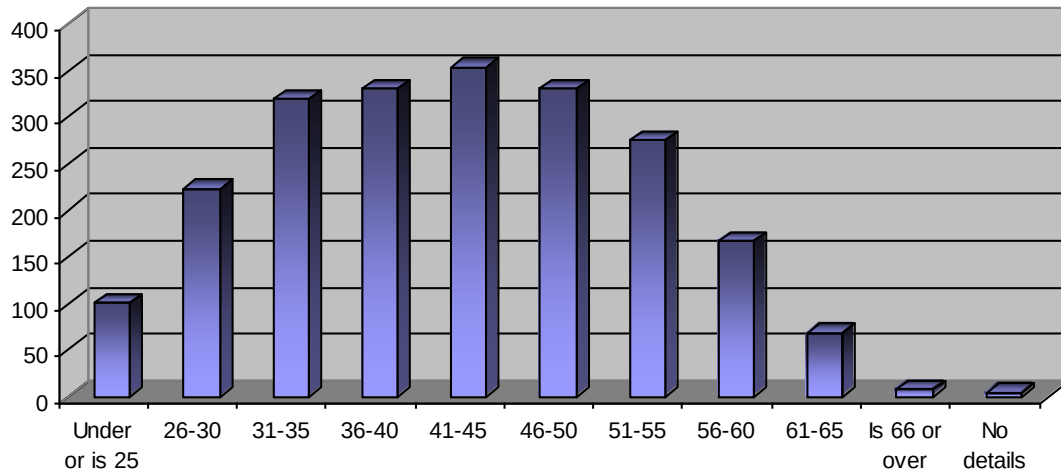


Table 2 Length of Service of NRW Workforce

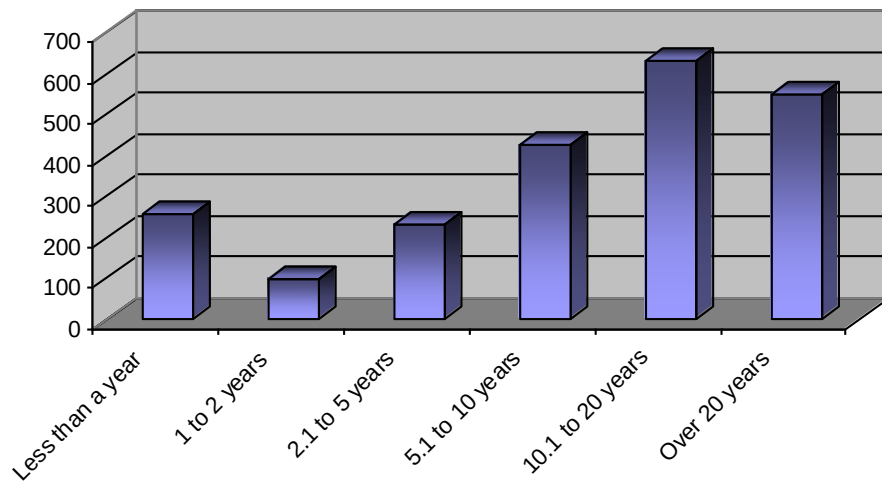


Table 3 Gender Profile of NRW Workforce

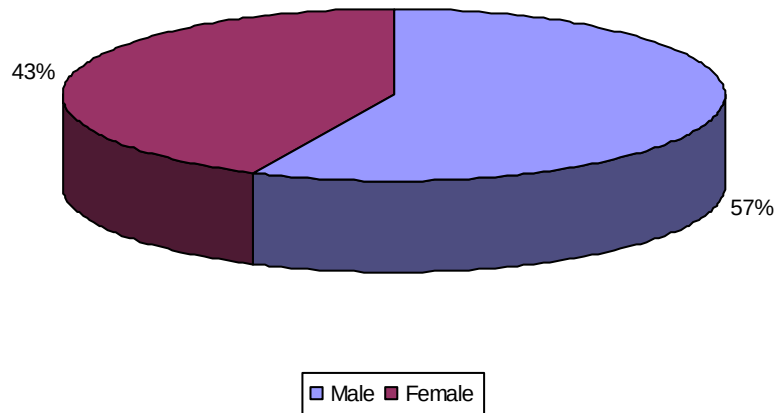
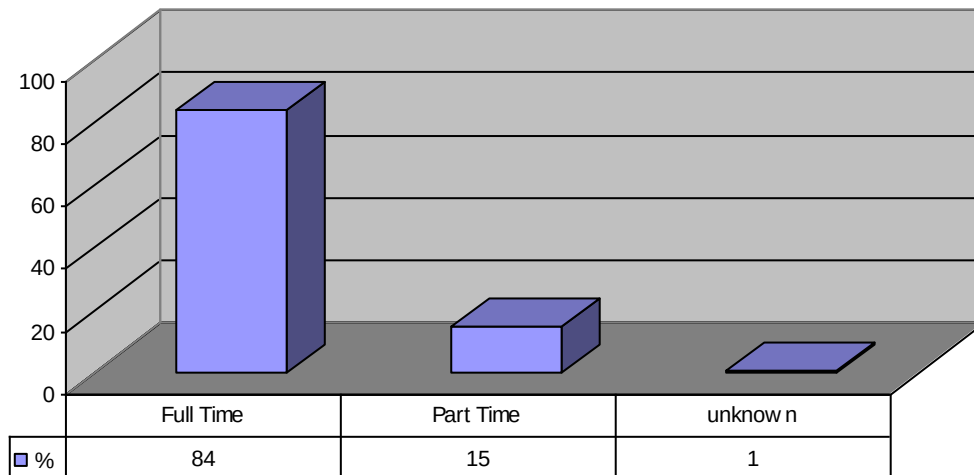
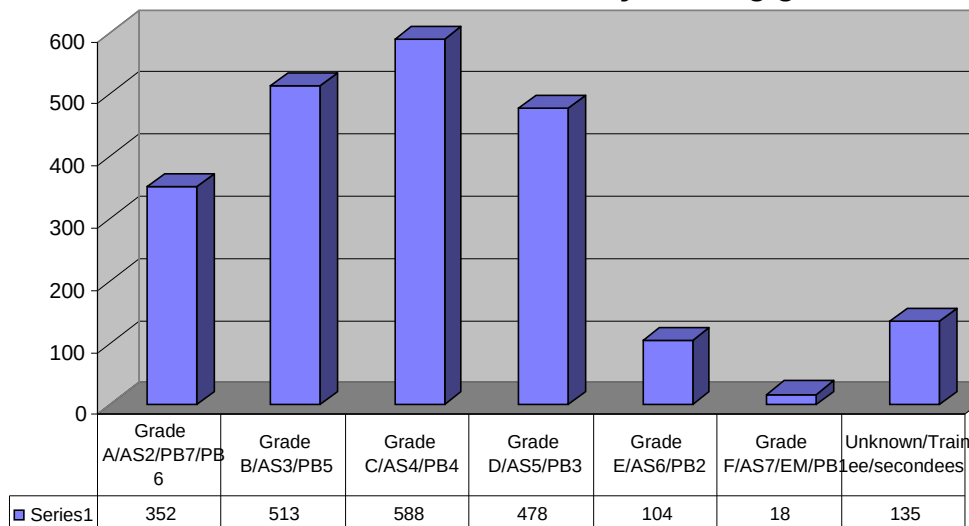
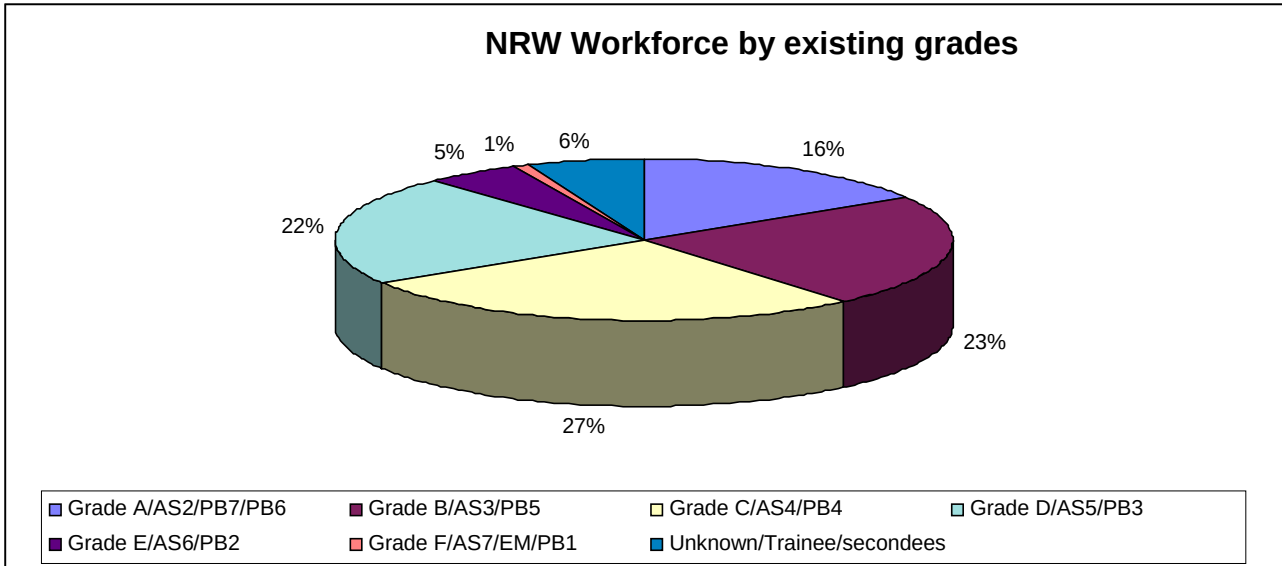


Table 4 Working patterns of NRW Workforce



NRW Workforce by existing grades





Annex B Directorate Summaries

Knowledge, strategy & planning		As %
Overall staff numbers	307	14%
Male	138	45%
Female	169	55%
Average age	44	
Full Time	253	83%
Part Time	50	16%
Unknown	4	1%

Finance and corporate services		As %
Overall staff numbers	193	9%
Male	77	40%
Female	116	60%
Average age	46	
Full Time	156	81%
Part Time	33	17%
Unknown	4	2%

Governance and communication		As %
Overall staff numbers	48	2%
Male	12	25%
Female	36	75%
Average age	43	
Full Time	34	70%
Part Time	12	25%
Unknown	2	5%

National Services		As %
Overall staff numbers	354	16%
Male	234	66%
Female	120	33%
Average age	43	
Full Time	300	85%
Part Time	34	10%
Unknown	20	5%

Operations North		As %
Overall staff numbers	504	23%
Male	290	57%
Female	214	43%
Average age	43	
Full Time	407	81%
Part Time	86	17%
Unknown	11	2%

Operations South		As %
Overall staff numbers	731	33%
Male	478	65%
Female	249	35%
Average age	43	
Full Time	642	88%
Part Time	86	11%
Unknown	3	>1%

OD and People Management		As %
Overall staff numbers	37	2%
Male	10	27%
Female	27	73%
Average age	41	

Transition		As %
Overall staff numbers	14	1%
Male	9	64%
Female	5	36%
Average age	47	

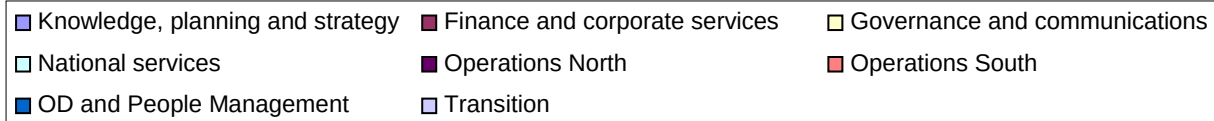
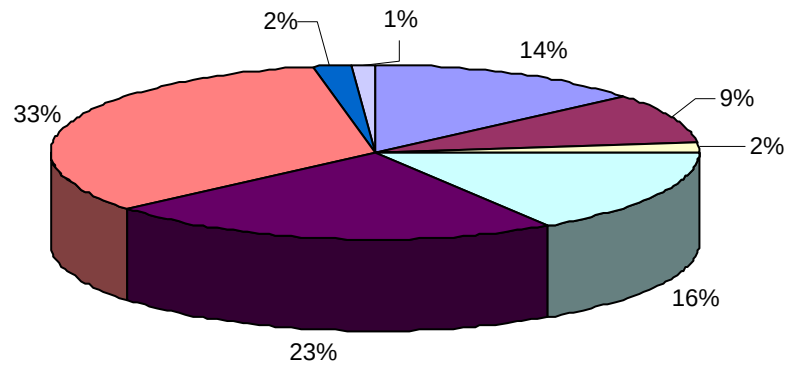
NRW		
Overall staff number	2188	
Male	939	43%
Female	1249	57%
Average age	44	

Full Time	29	78%
Part Time	8	22%
Unknown	0	

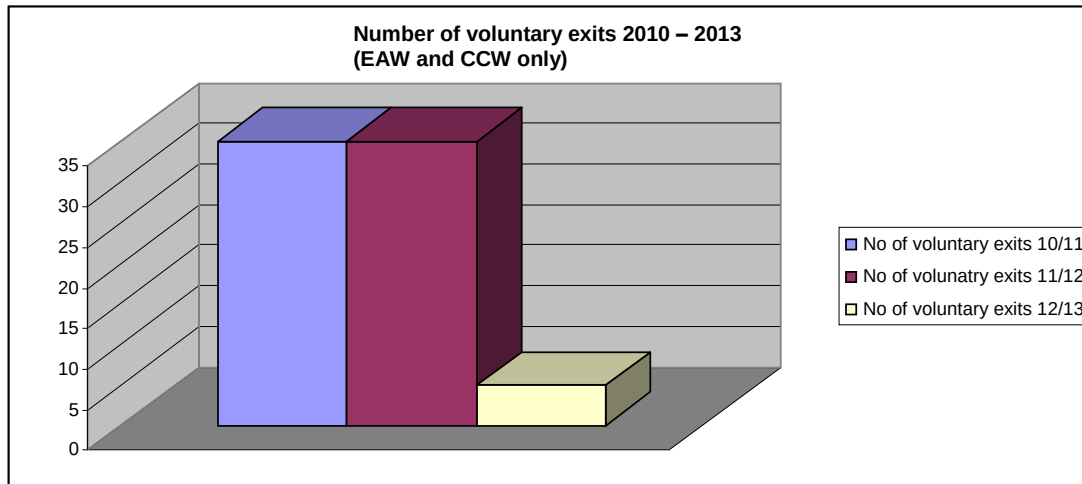
Full Time	14	100%
Part Time	0	
Unknown	0	

Full time	1835	84%
Part time	331	15%
unknown	22	1%

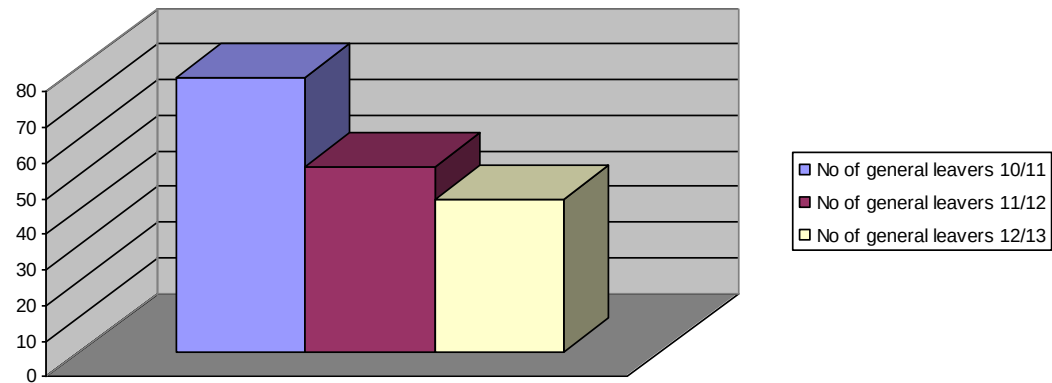
Table 6 NRW Directorates



Annex C Leavers data



Number of general leavers 2010 - 2013



Number of staff who retired 2010 - 2013

