



## **Audit, Risk & Assurance Committee**

<b>Date</b>	16 <sup>th</sup> March 2018
<b>Report title</b>	Capability & Vacancy Risks
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<b>Report to be/has been considered by</b>	

**Recommendation(s) for action or decision:**

**Audit, Risk and Assurance Committee is recommended to:**

1. Note the content of the report
2. Note the actions and considerations taken including systems and planning processes to manage Capability and Vacancy Risks

## **1.0 Purpose**

- 1.1 The purpose of the report is to provide ARAC a formal progress update on how the WMCA plans to meet capability and capacity demand through its resourcing and planning processes to ensure vacancies are managed effectively and deliver planned outcomes for the organisation.

## **2.0 Background**

- 2.1 Detailed budgetary and business planning work has taken place across the WMCA from October 2017 to January 2018 alongside the WMCA leadership team engaged in dialogue to identify delivery of strategic outcomes for their respective areas and the aspirations of the WMCA as a whole.
- 2.2 An ambitious plan of activities for the 18/19 period has been identified through the Business Planning process which reflects the WMCA's responsibilities, whilst retaining the flexibility needed to respond to new funding opportunities and the ability to respond to the challenging economic climate
- 2.3 On 9 February 2018, the WMCA Board approved the budget for 2018/19 and gave their backing to the proposed figure of £170 million
- 2.4 Detailed workforce planning, monitoring and management is being undertaken by the HR team and will continue as recruitment plans evolve into the first quarter of the financial year. Business Partner discussions have a focus on identifying resource pressures that need early consideration by recruiting managers, particularly where capacity and capability issues are known through business partner liaison. To resource the proposed areas of activities which have a human resources impact there is agreement that a flexible approach will be needed to meet demand with a mixed model of resourcing through direct advertising, secondment arrangements, talent management, succession planning as well as consultants, partnership support through the Local Authorities and bespoke agency engagement where posts are niche and competitive. Aligned to this tools and systems i.e. the Strategic Risk Register have been updated to formally review, monitor and flag any risks against the WMCA's capability and capacity to meet vacancy fulfilment. The WMCA's leadership has also taken ownership to regularly review this.
- 2.5 Outside of the agreed establishment for 18/19, where there is additional requirement for resource an approval process with the Director of Finance, Heads of Service, Finance and HR sign is being established in readiness for quarter 1 of 18/19 to ensure transparency of decision making within delegated levels of authority and assurance that good financial and establishment control is in place.

## **3.0 Establishment data**

- 3.1 As at the of end February 2018, the WMCA's establishment figure has agreed as 478.72 full time equivalent posts in line with the budget. Table 1 below provides a breakdown across the organisation:

Table 1

Function	Headcount	FTE	Vacancy FTE total
<b>TfWM/Corporate Services</b>	<b>435</b>	<b>425.12</b>	
Vacancies	75	73.88	73.88
Employees	360	351.24	
<b>Commissions</b>	<b>43</b>	<b>41.6</b>	
Vacancies	27	25.60	25.60
Employees (Inc Secondees)	16	16.00	
<b>Mayoral Office</b>	<b>12</b>	<b>12</b>	
Vacancies	6	6.00	6.00
Employees	6	6.00	
<b>WMCA Total</b>	<b>490</b>	<b>478.72</b>	<b>105.48</b>

- 3.2 The total number of vacancies to be recruited during the 18/19 period is **105.48** FTE. Of the 105.48 FTE there has already been work undertaken to instigate early recruitment plans and timetables particularly within the area of the Commissions and TfWM.
- 3.3 As a comparator for the period 17/18 the WMCA recruited to 109 vacancies which included turnover with 2 Human Resources professionals supporting vacancy management. The total number of posts to be recruited in the 18/19 establishment is 108 headcount (105.48 fte), however with the turnover rate based on 17/18 this would inflate overall vacancy management for the HR team to a further circa 50 posts therefore a potential vacancy management of 158 posts. The difference of an additional 49 posts is the additional stretch and capacity demand required of the HR team. This has been identified early and factored into the HR team's capability and capacity to deliver with specific additional resource in place.
- 3.4 The WMCA has three Human Resources professionals primarily responsible for recruitment activities reporting to the Interim Head of Organisation Development. This is a permanent increase of 1 FTE since December 2016 where it was initially identified that capacity within the HR team was insufficient to meet demands for recruitment and resourcing. In addition a further temporary increase of 1 FTE at Business Partner level has been engaged since January 2018 to support the vacancy management process and to proactively timeline and workforce plan where the tranche of activity will be concentrated in the next 12 months. The final position of this tranche of activity will be completed by end of March.
- 3.5 The HR team has piloted a skills gaps analysis process within the team to identify areas of expertise in the function and also where there may be pressures to deliver and expertise is currently not available or capacity does not exist. Through this process the team have been aligned to support objectives on their strengths but also to put in place a plan to cross work and upskill. Plans to deliver this across the organisation as a supportive tool for managers to identify skills will form part of the teams work for 18/19. An example of the skills mapping questionnaire is included as Appendix 1 which will be through an automated workflow process.

## 4.0 Recruitment priority planning

4.1 Following the agreed establishment data becoming available, a draft recruitment plan to inform where activity is planned has been developed. This is presented in Table 2 below and will be used to determine how resources are initially prioritised and deployed to ensure delivery of the business plan, outcomes and budget to target.

Table 2



4.2 The blue graph line in Table 2 identifies the month that recruitment will commence, which has been identified by the recruiting managers. Although this indicates the majority of recruitment activity taking place between March and June, this is in the context of when the recruitment has been agreed to start. The orange graph line indicates projected turnover based on the previous 12 months showing where additional recruitment will also be required. A direct correlation should not be made that additional temporary HR resource is only required during the blue line peak timescale. The grey graph line predicts where following recruitment of new employees to vacancies, interviewing and on-boarding activity will be focussed which is a HR managed process.

4.3 Established posts within HR will not increase during the period and additional capacity will be accommodated by short term agency staff.

## 5.0 Risk

5.1 Not managing and recognising capacity and vacancy management by the HR team could increase the risk level for the organisation leading to potential legal, financial and reputational damage including the inability to attract, retain and develop talent to fulfil strategic objectives. There is also risk that there could be an impact on the ability to secure future funding if key roles are not resourced in time.

5.2 The workforce planning process will be used to mitigate against a decrease of capacity within the existing HR team with regular review by the Interim Head of OD. Our early workforce planning indications suggest peak recruitment and resourcing activity will be concentrated around March – June 2018. Further detailed work is being undertaken to breakdown and

identify the posts planned for recruitment within the peaks of Table 1, Director and Service Heads discussions may have an impact on the peaks and potentially move the concentration of posts from March – June to create a smoother curve into the second quarter of the financial year with minimal impact to outcome delivery. Until these conversations have been concluded table 1 remains as the draft workforce planning model. The continuation of additional temporary resource to support the team, as well as maintain business as usual, will be critical during this time. In addition the health and wellbeing and impact of additional demand from the 18/19 plan will need to be kept under senior management review to avoid loss of key staff. Work is currently being undertaken by the HR team to mitigate against loss of key staff through introducing schemes on 'Building a Future Workforce' which includes attraction of Graduates, Apprenticeships, Placements and Traineeships.

- 5.3 There is acknowledgement a healthy stretch of the existing staffing complement will be needed alongside streamlining and automation of processes to ensure they are lean and efficient.
- 5.4 Proactive support from a health and wellbeing perspective remains an important facet of the organisational benefits offer to ensure we create a resilient organisation but also recognise the effect of increased or intensive activity during periods where resources may not have been secured.

## **6.0 Risk Mitigation**

- 6.1 Approaches such as secondment arrangements, commissioned activity and direct recruitment as well as refocusing of priorities have all been considerations in identifying the correct resourcing models needed to support delivery. This has underpinned and informed the tranche of HR support needed to achieve fulfilment of vacancies.
- 6.2 Business Partner discussions are already plugged into the workforce planning process to identify spikes in recruitment activity.
- 6.3 HR is reviewing its current practice that Business Partners take part in **all** recruitment panels. This is a result of a recent review which highlighted that this blanket approach was not sustainable or efficient. To achieve this, work to coach, support and equip managers in recruitment best practice is currently being developed.
- 6.4 To further highlight any emerging capacity issues an OD dashboard of information is now a regular item on the Leadership team's forward plan providing metrics on establishment, vacancy rate on a monthly basis and sickness absence data. Leadership team also have a responsibility to review the strategic risk register.
- 6.5 HR Business Partner conversations include early alerts on correlations between the projected increased workload and impact on staff. This approach allows recognition of any stress management issues and for support s to be put in place
- 6.6 ARAC is asked to note the organisation is formally monitoring Capability and Vacancy Risk through the Corporate Risk Register and part of monthly discussions on progress, action and update. Workforce planning is being undertaken by HR Business Partners through monthly updates by team directorate and overall organisation. This information is a source fed into the monthly OD dashboard metrics submitted to the Leadership Team to ensure there is a

cyclical process of managing vacancy risk through commentary, update and action. It is to be noted this work is in progress and will continue into the first quarter of the new financial year.

- 6.7 With the successful on boarding of the full and permanent leadership team the organisation is in a stronger position to define the organisations purpose, identify the outcomes required and strategically align resources to deliver, in addition the resilience of the current resources is discussed by leadership. There is a healthy appetite amongst the leadership team to discuss risk and this is well facilitated by organisational metrics.

## **7.0 Wider WMCA Implications**

- 7.1 The impact of not having an adaptable and flexible resourcing model and workforce planning in place will have a significant impact on the WMCA's overall ability to deliver along with reputational risk and the ability to secure future funding.

## **8.0 Financial implications**

- 8.1 There are no specific financial implications arising from this report. The 2018/19 budgeting process has taken place and formal approval received for the WMCA's budget.
- 8.2 Assumptions on the timing of recruitment to the individual posts were made through discussions with responsible managers and the costs included in the 18/19 budget. The financial implication of any revised recruitment profile as a result of workforce planning will be continually re-assessed and included in the financial monitoring position.

## **9.0 Legal implications**

- 9.1 There are no specific legal implications arising from this report.

## **10.0 Equalities implications**

- 10.1 There are no equalities implications arising from this report.

## **11.0 Other implications**

- 7.1 N/A.

## **12.0 Schedule of background papers**

- 8.1 N/A.

## **13.0 Appendices**

Appendix 1 - Skills Map

## Appendix 1

### **Skills Map**

Please use this form to identify your Professional Qualifications, Specialisms and experience of Other Sectors.

A maximum of 10 items can be added to each category. When you have completed a section, click on any white space to update the form and show the next section. Please ensure that you click submit at the bottom of the form when completed.

#### **Name**

*(Please enter your name)*

#### **Professional Qualifications**

*Please identify the Professional Qualifications you hold and the level.*

Qualification (1):

Qualification Level (1):

#### **Specialisms**

*Please highlight any particular specialisms you have beyond those utilised in your core role.*

Specialism (1):

#### **Experience**

**of**

**Other**

**Sectors**

*Please list any other sectors / organisations you have experience of working within.*

Experience of Other Sectors (1):