



West Midlands  
Combined Authority

## Audit, Risk & Assurance Committee

<b>Date</b>	24 September 2019
<b>Report title</b>	Capacity and Capability – Risks and Mitigations
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<b>Report has been considered by</b>	Tim Martin, Head of Governance

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

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

- (1) Note the content of the report.
- (2) Note the actions and considerations taken including systems, planning processes and policies to manage risks in the organisation around capacity and capability.

## **1. Purpose**

- 1.1 The purpose of the report is to provide assurance to ARAC on how the WMCA is meeting the demands on its capacity and capability through a combination of resourcing and planning processes, and a blended approach to learning and development.

## **2. Capacity**

- 2.1 Detailed budgetary and business planning work has taken place across the WMCA from September 2018 to January 2019 involving budget holders, Finance and HR Business Partners.
- 2.2 Alongside this, the Leadership Team have worked together to identify the strategic priorities for their respective areas and for the aspirations of the WMCA as a whole. There has been the opportunity for the Leadership Team to recruit to essential posts to support the agreed programmes and policies of the WMCA which have been agreed by Board and through our Annual Planning process.
- 2.3 The plan of activities which flows from this process reflects WMCA's areas of responsibility and whilst also retaining enough flexibility to respond to potential new funding opportunities and to an uncertain and currently challenging fiscal environment.
- 2.4 In February 2019 the WMCA agreed a staffing budget with a direct cost of £29.2 million, which also includes staff supporting all TfWM activities. However, this figure excludes staff overheads such as overtime, recruitment costs, health and safety.
- 2.5 Workforce planning, monitoring and management is now being undertaken jointly by Finance and HR, and we have a new Strategic Resourcing Management system in place which is reviewed monthly by the Leadership Team to look at our Establishment figures and roles to recruit to.
- 2.6 We have continued to take a flexible and pragmatic approach to our resourcing requirements, using a mixed model to meet our demand through direct advertising, inward secondment arrangements, using temporary staffing for short term engagements and consultants, where posts are highly specialised and in a competitive employment market.
- 2.7 Supporting this, we also use other tools and systems such as the Strategic Risk Register to formally review, monitor and flag any risks against our capability and capacity to meet vacancy fulfilment. The WMCA's leadership also regularly reviews this.
- 2.8 Further, any posts which are in addition to our agreed establishment, require a formal business case with an approval process with sign off from the Director of Finance and the Head of HR.

## **3. Vacancy Management**

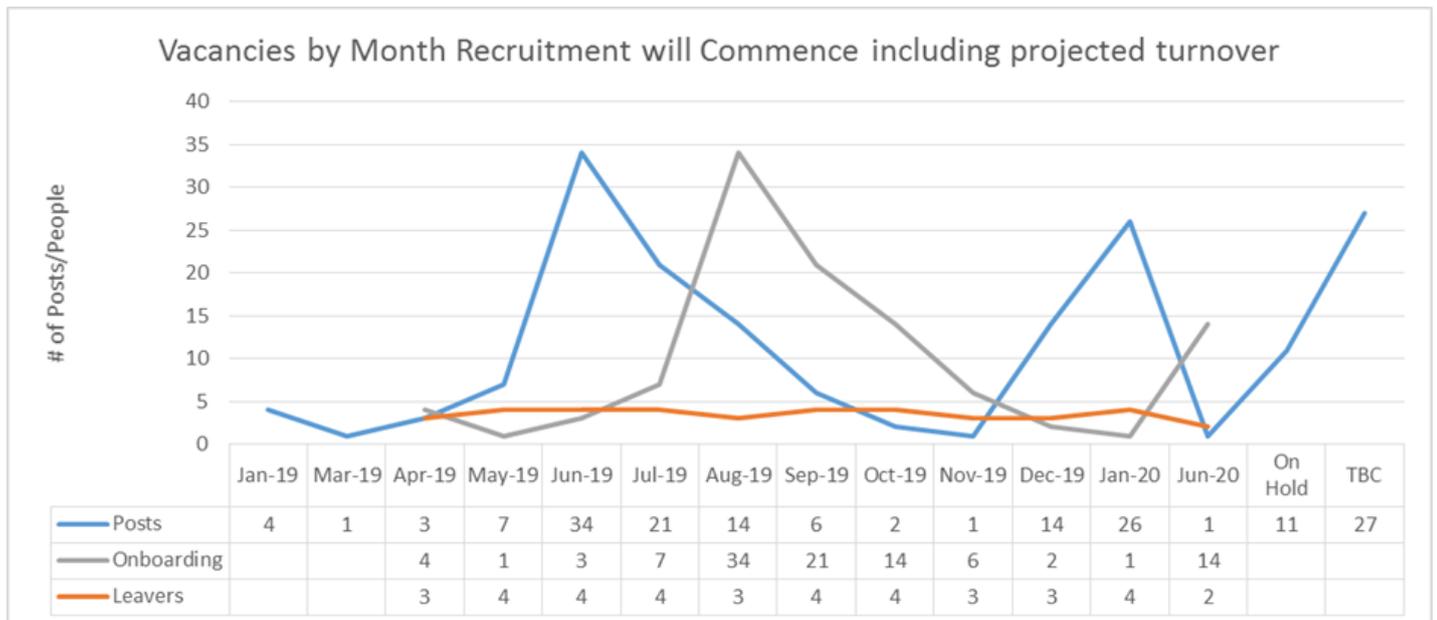
- 3.1 The total number of vacancies to be recruited during the 19/20 period is 125 headcount or 122.5 FTE. However with the turnover rate based on 18/19 this would inflate overall vacancy management to a further circa 38 posts therefore a potential vacancy management of 160.5 posts. As a comparator, during the period 18/19 the WMCA recruited to 150 vacancies.

3.2 Additional resources have been secured to meet the Authority’s demands for recruitment activity and the HR/OD team has grown in size to accommodate this. There is now a dedicated full time resource who specialises in Recruitment in the HR/OD Team and the HR Business Partner team has grown in size too. There are now seven staff in the HR Team supporting managers with their resourcing, aligned to different portfolios as well as other generalist HR enquiries.

3.3 The team provide support to recruiting managers on role profiles, job evaluation, recruitment advertising, and recognise that there are very different roles across different parts of the Authority some of which are deliver roles, some of which are enabling roles, others are influencing roles.

**4. Recruitment Priority Planning**

4.1 Following the business planning cycle, a number of changes have been made to the way in which our budget is utilised, including top slicing any funding asks which provide for greater organisational capacity, helping to deliver on new and evolving areas of work and priority.



4.2 A draft recruitment plan to inform where activity is planned has been developed and will be continually reviewed each month. This is presented in the table above 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.

4.3 The blue graph line in the table identifies the month that recruitment will commence but not necessarily complete. The orange graph line indicates projected turnover based on the previous 12 months showing where additional recruitment will also be required. 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.

4.4 There is a risk in not managing vacancies actively, resulting in our inability to attract and successfully on-board talent. There also a risk around our ability to secure future funding if key roles are not resourced in time.

- 4.5 The workforce planning process is being used to mitigate against the potential risks, and has recently been audited and a copy of the Audit Report is being presented to ARAC at this meeting.
- 4.6 We have taken a flexible approach to resourcing and where it's appropriate we have used secondment arrangements, fixed term contracts, consultants or commissioned activity to help meet our resourcing needs.
- 4.7 Finance and HR Business Partner discussions around the workforce planning process take place regularly to help identify and manage spikes in recruitment activity. These discussions have concentrated on identifying those resource requirements which are most critical, for example where capacity and capability issues are already known.
- 4.8 This information is fed into the monthly HR dashboard metrics submitted to the Leadership Team and this ensures there is a cyclical process of managing vacancy risk through commentary, update and action.
- 4.9 The dashboard providing metrics on establishment as well as the vacancy rate, and as importantly on sickness absence. Considerable efforts have been made to bring down sickness absence since last summer. In August 2018 we launched a programme to promote attendance at work, reduce sickness absence and thereby increase productivity.
- 4.10 In July 2018 sickness absence was 7.2 per person per year but by July 2019 this had reduced to 5.2 days per person per year, a saving of £131,799 and 994 lost days or the equivalent of 4 full-time employees over a year.
- 4.11 HR has also diverted some of its internal resource away from sitting in on every recruitment panel to providing support to managers to take more responsibility for their own recruitment by coaching them on recruitment and selection, providing formal training where necessary and making them more aware of the need to manage vacancies actively.
- 4.12 The organisation is also formally monitoring Capability and Capacity through the Corporate Risk Register and part of monthly discussions on progress, action and update.
- 4.13 Now that there is a full complement of senior staff in the leadership team and a better grasp of the workforce planning process, the organisation is in much better position to resource its priorities.

## **5. Capability**

- 5.1 The WMCA now also has a Learning and Development Strategy which was approved by the Leadership Team and takes a blended approach to learning and development.
- 5.2 As part of that new strategy the organisation has developed a range of bite size learning open to any staff who want to find out more about a range of subjects. There are three to four bite sized sessions each month which have proved very popular with staff.
- 5.3 We have also introduced a range short courses called Management Fundamentals, designed to increase management capability and help line managers in their day to day work, the programme is very popular with new or less experienced managers.

- 5.4 We have launched a coaching and mentoring programme, open to any member of staff it's designed to match an employee with a trained mentor or coach from another organisation within the West Midlands Employers group. This has also proved popular with staff across all levels who value the opportunity to develop their skills through this intervention.
- 5.5 We have further reinforced and extended the range of mandatory training which now includes Health and Safety, GDPR, Cyber Security, Equalities and Diversity, DSE Assessments, and we have improved the Induction process to help on board new staff more quickly.
- 5.6 All new staff have the chance to meet the CEO and we have introduced corporate induction online whilst staff undertake their team induction locally. We aim to build capability as soon as new staff arrive and use the performance management framework to encourage staff and their managers to discuss and agree their development needs.
- 5.7 We undertake regular training needs analysis both with individuals and within teams and across the organisation as a whole as part of the annual performance cycle where HR meets with every manager in the WMCA to capture their development requirements before setting the learning and development for that financial year.
- 5.8 The organisation is committed to enabling staff to continue to develop professionally and we meet the costs of all professional subscriptions. Staff can also access all Chamber of Commerce events free of charge within the region as we hold corporate membership and we work with our recognised trade union to promote Unison training events internally.
- 5.9 Staff also have an opportunity to learn through our all staff conference and through a number of internal roadshows which we hold throughout the year where senior leaders come together to discuss a topic which is current and of national interest such as Brexit and discuss the impact it has on our region and the people we serve.
- 5.10 And as part of our ongoing commitment to increasing the capability of our management and leadership cadre, we organise meetings of a Leadership Forum where we are growing our leadership cohort and we have committed funds too to enriching the capability of our Strategic Leadership Team through coaching and a formal development programme.

## **6. Other Conditions**

- 6.1 The impact of not having an adaptable and flexible resourcing model, workforce planning or a strategy for learning and development in place would have a significant impact on the WMCA's overall ability to deliver, our ability to secure future funding and on the reputation long term the Authority. In recognition of this we have also put into place a number of other organisational development interventions which have also supported capacity and capability.
- 6.2 Turnover is historically low (around 11%) and many staff have long service with the Combined Authority and know our business and their jobs well. We also have a highly engaged workforce, and have for eight years running appeared in The Times newspaper's top 100 Not for Profit Employers list.

- 6.3 So we are fortunate to have a stable, highly motivated workforce where there is considerable goodwill and where staff respond well to demands placed upon them. Part of this is no doubt because we ensure that we are clear with staff about what we expect of them when they join the organisation and this is reinforced in our employee performance framework, but it's also because we invest in supporting staff at work.
- 6.4 For example we have a well-developed programme of Health and Wellbeing initiatives which staff make full use of ranging from a Menopause Café (recently covered by BBC Breakfast) to Mental Health First Aiders in the workplace. This investment in supporting staff at work has been critical to reducing absence, promoting a sense of wellbeing, minimising turnover and attracting new talent to the Combined Authority.
- 6.5 We have also undertaken a review of all our corporate services, and whilst we have still to complete the final Gateway Review on this, most of our key support services now have improvement plans in place which are being closely monitored. Improvement plans have focussed on increasing both the capacity and capability within teams by reorganising work through a programme of prioritisation, and upskilling existing staff to meet the increasing demands placed on back office functions. The Gateway Review reports in December 2019.

## **7. Summary**

- 7.1 In summary, our resourcing is now firmly aligned to our corporate priorities and these are set out in our Annual Plan. Our resourcing plans are detailed and are reviewed regularly to ensure that they are properly funded and where we have identified additional asks that these are top sliced from budgets to ensure we can continue to deliver on new and evolving pieces of work.
- 7.2 Our plans recognise that we need different types of roles in different parts of the Authority and we have ensured that adequate resource has been aligned to the new portfolios. HR/OD has been restructured and received additional resource to support recruitment plans. Finally we are also building capability within our existing staff teams through targeted learning and development following a detailed training needs analysis.

## **8. Financial implications**

- 8.1 There are no specific financial implications arising from this report. All the initiatives described are already budgeted for.

## **9. Legal implications**

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

## **10. Equalities implications**

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

## **11. Other implications**

- 11.1 None.