

WORKFORCE PLANNING for FEE and FS

Purpose:

This paper provides FEE/FS with a proposal on the planned approach for workforce planning and seeks their advice to enhance the proposal and content for the workforce plan before rolling out this strategy to Districts.

Background:

There is not one definition for workforce planning and workforce planning embraces a range of activities i.e. succession planning, flexible working, talent management, skills audit, gap analysis, risk management, role design/redesign

The CIPD define workforce planning as *“a core process of HR management that is shaped by the organisational strategy and ensures the right number of people with the rights skills, in the right place at the right time to deliver short and long term organisation objectives.*

In the short term it's about ensuring the workforce is correctly allocated in order to achieve objectives. In the medium term it is getting the very best talent in the right roles and at the right time and giving the benefit of reduced costs. To satisfy long term objectives workforce planning is forecasting the supply and demand understanding what you've got now and what you might need in the future.

Demographic change of the UK and global workforce will have a profound effect on the labour market over the next two decades and beyond. The CIPD estimate that 30% of people in employment in the UK are over 50 and there are unlikely to be enough younger people entering the labour market to replace this group when they leave the workforce, taking their skills and experience with them. Globally it is estimated by 2020 that half of the global workforce will be Millennials. This workforce will be more mobile, social and collaborative.

When it comes to employment Millennials will expect

- a package that extends beyond a good salary and comprehensive benefits.
- technology to be mobile, intuitive and to work simply.
- vertical progression and the flexibility to work across multiple aspects of the business to improve their own skills which will add significant value to their own careers and company – they will not be happy doing one job for many years.
- companies to help employees support their health and wellbeing successfully. This will be more than just the traditional offer of occupational health and EAP programmes, it will be a complete holistic approach, ie nutrition, exercise, overall health including mental wellbeing programmes

Combine this with the significant changes happening at all levels across the Forestry Commission i.e. the setting up of the FEE National Office, the transfer of Corporate

Services from Edinburgh, and the strategic direction, it is recognised that to ensure the future of the FEE workforce planning arrangements across the organisation should be in place.

A new Civil Service Workforce Plan was published in 2016 and sets out five strategic priorities that public bodies should reference when developing their own workforce:

- i. Attract and retain people of talent and experience from a range of sectors
- ii. Build career paths that develop breadth of experience and depth of expertise
- iii. Develop world-class leaders, who are inspiring, confident and empowering
- iv. Become the most inclusive employer in the UK
- v. Develop cost effective and flexible reward structures that enable us to attract, retain and develop the best talent

These are key elements that FEE should take into account when determining its own workforce planning arrangements.

Workforce planning is one of the priority work streams for the business. As the leadership for this sits within HR, it is a priority area for HR. The HR team is starting to take a holistic approach; working with teams to raise understanding of workforce planning across the organisation rather than in silos. The HR team have experience of workforce planning in many different organisations and are alive to the challenges of good workforce planning. They understand that districts have not considered workforce planning a priority for the medium or long term in their business plans. Currently workforce planning is very short term i.e. a vacancy occurs and a replacement is sought.

District managers are keen to work with HRBP's in the development of workforce plans but all recognise it will take time and effort to develop robust workforce plans and these will be iterative depending on the district business plans. Work has to commence now to ensure the continued success of FEE in achieving its corporate objectives.

Workforce planning is certainly more accurate in forecasting capacity and skill requirements when organisations and markets are relatively stable. However, change should not be a reason to postpone workforce planning – quite the opposite. The detail of future organisational arrangements is still developing with districts, therefore immediate, short, medium and long-term elements of the plan are likely to develop at different rates and different elements of the workforce plan will evolve and become more refined over time.

Current Position

FEE is a transforming organisation in many ways and the strategic framework sets out the direction of travel for the business. With the transition of services from Silvan House on-going there are many opportunities to change systems and process, introduce new technologies to make the business more efficient and future proof. However, as indicated earlier in this paper at the current time workforce planning is limited to the immediate very short term requirements. The teams in the national office that are involved in the transition of services HR, IT and Finance have looked at future operating models and have developed simple workforce plans. However, there is little evidence of

medium to long term workforce planning taking place across the organisation and how this links to business plans and feeds into corporate objectives.

The attached data (Appendix 1) highlights shows that in the next 10 years the current workforce has staff across all districts that that are reaching a time when they can potentially take retirement. Equally, it is also known that there are currently difficult to recruit posts in the Districts such as civil engineers, land agents, finance managers, higher level administrative posts. During 2017, the age profile, for the first time has seen an increase in the number of staff employed aged over 55 years with a decrease in those employed below the age of 54 years. This is an unusual trend for organisations generally. This is something we need to take into account.

This data would indicate that the national demographic changes are already starting to touch FEE. If nothing is done to address this, the situation will worsen and staff will struggle to cope with the demands of the job. The organisation could see increased labour turnover, sickness absence as, decreased staff engagement and discretionary effort

For operational Forestry roles some workforce planning takes place as the trainee forester programmes and apprenticeships are regularly recruited but these are isolated programmes and FEE/FS does not have oversight of all the potential problems and therefore cannot attempt to future proofing continuation of existing and evolving services to meet corporate objectives. There is also the graduate programme which recruits one graduate per year. District managers have indicated that they recognise that workforce planning is something they need to undertake to secure continued success and grow their business.

Early in 2016 the HRBP's had built into their Forward Job Plan a key deliverable to start to work with managers to understand in detail workforce in the Districts. The information they have collated along with MI data confirmed that there is little workforce planning going on in the districts that HR is involved in. The Workforce Development Manager and Director of Operations have briefly discussed HR becoming more involved in the business planning activity to enable FEE to understand the current workforce and plan for the future workforce.

This approach has been welcomed and HRBP's have been working with districts and this activity by them in the past 12 months has encouraged some managers to start thinking about matching posts and priorities as well as the retention risks of key staff. In late 2016 the HRBP's became more involved in short term workforce planning as FEE was required to significantly reduce STTA recruitment and this encouraged more detailed discussions about workforce needs. FMD's have requested assistance from the HRBP's in the development of workforce planning as they recognise this is going to be essential for them to ensure they have the right workforce to achieve their objectives.

Proposed Approach

There is now in place a strong team of HRBP resource that will work across the Districts and will begin to establish separate but aligned approaches to develop workforce planning in FEE and FS.

It is intended that separate workforce plans will be developed across the different districts due to the extent of differing objectives (operational, financial and strategic) and workforce issues for each. However, these separate reports will recognise shared issues such as the future organisational arrangements; significant change in the short and medium term; and the desire to maintain strong long term knowledge transfer and interchange opportunities for forestry professionals as well as wider corporate professions.

The workforce plan for FEE/FS will be shaped by immediate pressures to maintain delivery to meet current business targets as well as medium term strategic framework plans and longer term aspirations.

The FEE/FS workforce plans will be developed by considering capacity and capability through three different 'lenses':

- i. to respond to immediate pressures in order to **maintain business** as usual delivery;
- ii. support **transition** as part of interim change programmes where the business is focused upon the strategic framework and in developing commercial opportunities, and
- iii. enable **transformation** to enhance and future proof delivery for FEE/FS and the wider stakeholders in a landscape, as yet, unknown to us.

Appendix 2 outlines a recommended structure and content for the workforce plan document.

The overall report for FEE/FS will be supplemented with separate reports for each of their respective districts and will provide a strategic overview which includes information on the current workforce; future requirements; themes affecting the workforce and the actions that will be taken in relation to each theme.

The plan will allow FEE/FS districts/areas to set out how they intend to respond to trend shaping the UK workforce as well as key high-level issues or themes for their respective workforces. Being alert to changes in the broader economic and social context and developing jobs, structures and cultures which nurture organisational agility and employee engagement will support FEE and FS to become employers of choice for new entrants to the sector as well as established professionals.

Therefore, the Workforce Plan will contribute towards wider holistic planning of people management strategies such as Resourcing, Recruitment & Selection and Learning & Development rather than the current reactive approach. More importantly, establishing and embedding a workforce planning approach now will help FEE and FS ensure an adequate supply of people with the necessary skills and knowledge to achieve our strategic objectives in the short term as well as for the future.

Workforce Planning is a continuously fluid process which will require senior leaders/FMD's to regularly (at least annually) revise their plans and in particular when a

significant change or key decision is taken that helps to crystallise future business needs or organisational arrangements.

Overall, the aim is to start to build an understanding of workforce planning and support an embryonic approach that can be refined as business plans develop.

Emerging Risks and Constraints

It is recognised that forecasting future workforce requirements will be challenging over the next few years, given the emerging nature of future business needs and organisational arrangements. There is a risk that assumptions may be wrong and that additional costs may be required.

At the present time the restrictions posed by the FEE's existing HR systems and data integrity may impact adversely on the organisation's ability to produce a workforce plan that is accurate and able to be easily refreshed on an ongoing basis. However, with the implementation of the new integrated HR system later in 2017 this will facilitate advanced workforce planning. However, in the short term, FEE England is unable to give assurance that the workforce information currently available is entirely accurate.

There is a risk that during the review of workforce planning needs, some posts may emerge as becoming obsolete. There may also be a growing list of skills required that are currently not available within the organisation. Equally it may become harder to appoint skills against the organisation's current terms and conditions of employment.

Finally, if FEE does nothing in respect of workforce planning the potential issues with the demographic changes in the UK and globally the impact will be felt across the whole organisation and will lead to skills shortages, labour shortfall and pose a significant risk to the achievement of corporate objective.

Recommendation(s)

1. The Executive Board is asked to:
 - a. note the content of the paper and comment on the proposed structure and content for the workforce plans (Appendix 2); and
 - b. provide insight from their experience of workforce planning in other organisations, particularly in the context of change and uncertainty, which could be considered for establishing a workforce planning approach in FEE/FS.
 - c. Agree to the proposed plan.

Dorothy Russell
Workforce Development Manager

May 2017

APPENDIX 2

Implementation Plan

Whilst there will be two separate plans for FEE and FS, both will follow the same process, after discussions with leads in each organisation. The proposed plan is summarised below:

Agree Board level priorities

Initial discussions will take place with FEE and FS board members to agree the overarching strategic direction as well as considering future workforce needs/ themes holistically. This exercise will set out guiding principles for board members to follow when considering workforce requirements for their respective part of the organisation, thus ensuring corporate alignment.

A project plan to be developed for the overall workforce planning project, with activities for FEE and FS progressing at different paces and are summarised below:

a) Aligning posts against business priorities

This exercise will involve board members / FMD's considering the current job roles, according to their business criticality against objectives that maintain delivery or support transition and/or transformation which are required now. This section will focus on the existing workforce and can highlight where there are immediate gaps in the current structure, which if not addressed, will have a negative impact on FEE and FS ability to deliver corporate objectives.

b) Retention and skills information

FMD's/HRBP's will work with managers to categorise the retention risk of current key employees and the likelihood/impact of that employee leaving. This information will be used to identify any potential skills gaps/misalignments and areas of over/under capacity, when considered alongside information on future requirements.

c) Future requirements

FMD's/HRBP will be asked to provide information about future priorities and the staffing capacity/capabilities that they anticipate will be required. Again, this will be for business as usual as well as transition and transformation. This is the part of the workforce plan that will require regular review due to the emerging nature of future business needs and organisational arrangements.

d) Development of workforce plan

Once all information is received from FMD's/HRBP's, the Workforce Development Manager will analyse the information received and produce the overall workforce plan. Taking into account dependent projects, initial drafts could be available in January 2018.

PROPOSED STRUCTURE FOR FEE AND FS WORKFORCE PLANS

Section 1: Introduction

This section will include:

- Purpose and objectives of workforce planning;
- Strategic priorities – linking to the corporate objectives/priorities and how workforce planning fits into this;
- Themes affecting the UK workforce as well as those specific to the organisation;
- Organisational context (internal and external) - historical, current and future environment, our obligations as a public body and implications for our workforce.

Section 2: Current workforce

This section will include a global review of FEE or FS's current workforce, including:

- Full Time Equivalent staff / headcount;
- Contract type (permanent/FTA)
- Gender profile;
- Age profile (including focus on numbers potentially nearing retirement);
- Grade composition.
- Staff retention (including turnover, recruitments);
- Overall staffing costs.

Section 3: Future workforce

This section will provide a corporate overview of the future workforce required for **maintaining delivery** as well as supporting **transition** and **transformation**. This can be as immediate as now or be as short term as six-months ahead as well as forecasting for two, five or ten years ahead.

Thereafter, the section will focus on each of the districts/functions within either FEE or FS, detailing:

- Purpose of the district/function;
- Future direction of the district/function – continuing /changing priorities;
- Themes specific to the district/function, both current and future;
- Details of current workforce and what future requirements specific to that district/function (interim and/or destination); and
- Key skills required including gaps in staff capacity and capabilities required to achieve the demands that will be placed on the function in future.

Section 4: Gap analysis

This section will provide a comparison of the current and future workforce and identify where there are differences and/or action required.

This section will therefore highlight the areas for skills development that are necessary across the organisation as well as for particular areas in either FEE or FS. Consideration will be given to different options on how skills these will be developed such as:

- developing existing employees;
- graduate programmes
- 'grow our own' through a range of options such as Apprenticeships, Traineeships, development pathways etc.;
- recruit from external labour market; and
- procure services which also focus on knowledge transfer for future capability

In addition, this section will build on the common themes affecting all/most functions which are outlined in section 1. Examples could be:

- Pay and reward (impact on retention).
- Information technology (e.g. plans to increase mobile technology);
- Multiple levels of change and the impact on staff; and
- Ageing workforce

Section 5: Options and Actions

This section will detail the actions that will be taken in relation to each identified theme, or required to take FEE or FS from our current staffing position to where we need to be and how we will undertake skills development in order to address the skills gap.

Section 6: Review and monitoring

This section will set out how progress against the workforce plan will be measured and confirm that the workforce plan will be refreshed annually.