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Skills Utilisation in an Outcome Focused Environment

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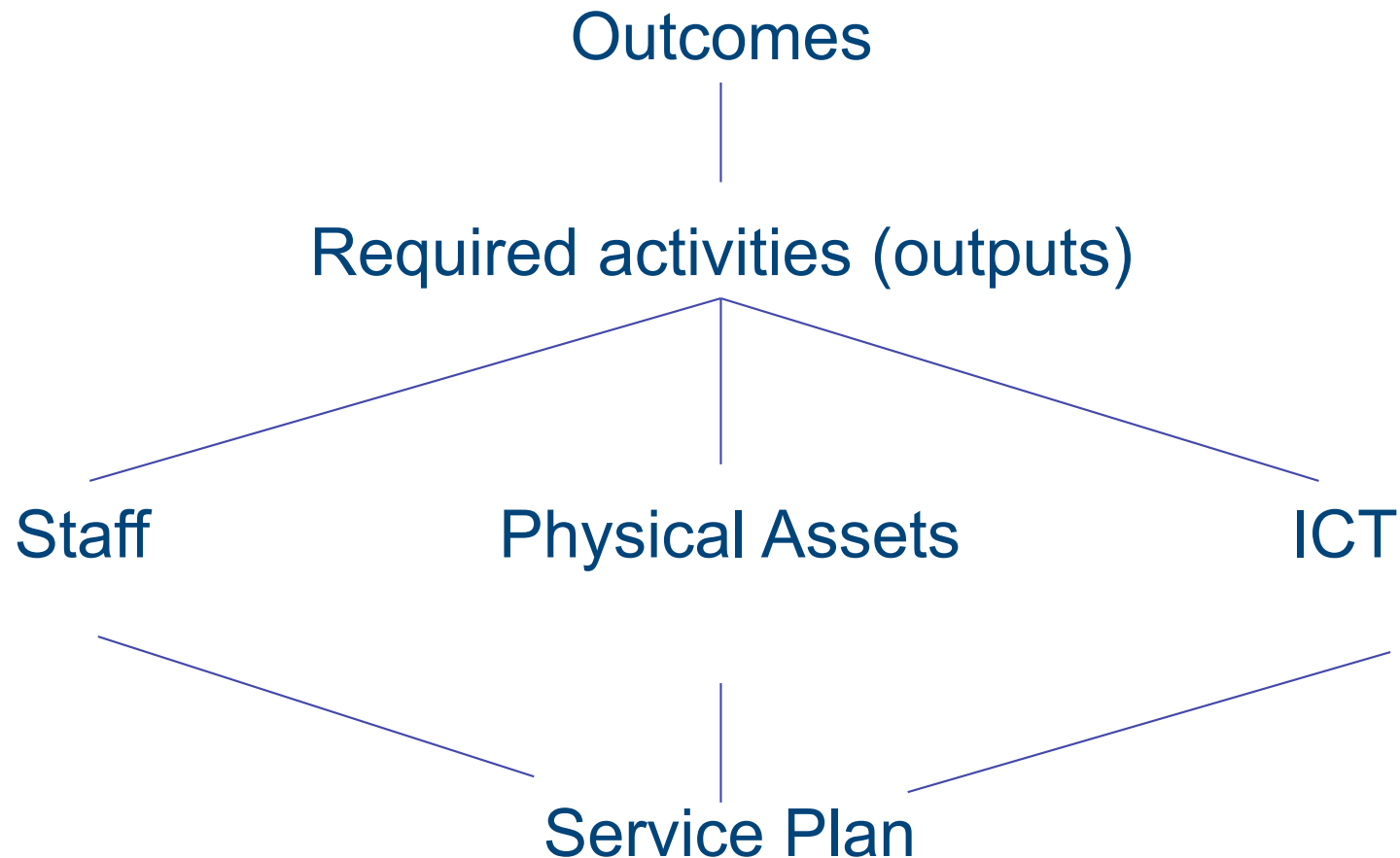
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Context

- £12.5 billion spent in local government last year
- 52% of council budgets committed to employee costs
- 273,000 employees
- Concordat – Single Outcome Agreement

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Resource Planning



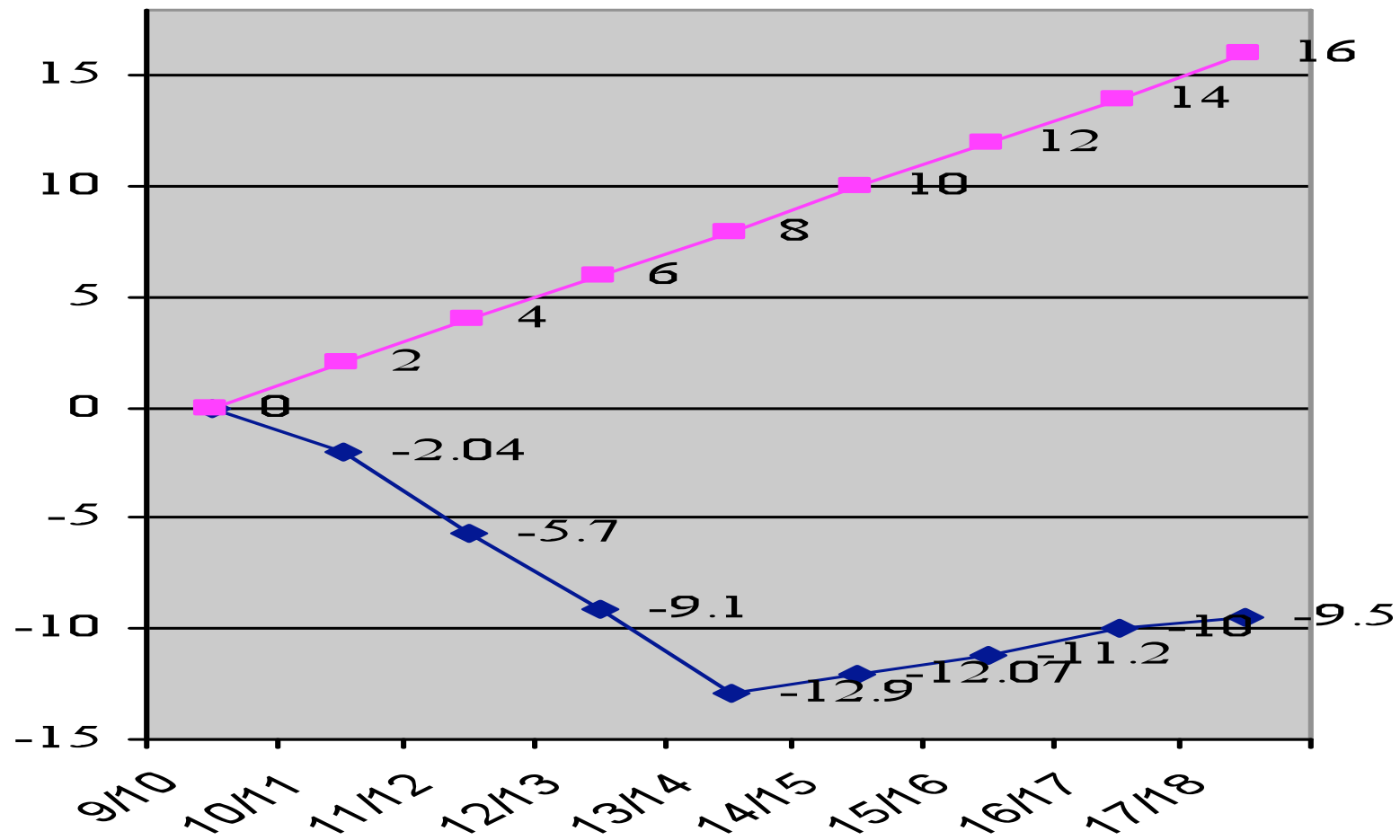
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The Economic Context

- Emerging from period of growth
 - Budgets increased by more than 54% in real terms
 - The workforce expanded by 6.5%
- Long Term Pressures – demand/finance
 - 8% increase necessary to sustain service demand
 - 12% real reduction predicted by 2013/14

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Scottish Block Finance & Demand 2009/10 – 2017/18 (% real terms)



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Workforce Implications

- Rightsizing
- Performance management and scrutiny
- Business change and new service models
- Customer expectations – customisation and personalisation
- Changing technological capacity and relevance

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Organisational Challenges

- Workforce Intelligence
- Resource mix – integration of service and resource planning
- Organisational composition, culture and capacity
- Conflicting priorities
- Fit for future purpose?

Fit for future purpose?

- Councils have the oldest workforce in the country
- The proportion of under 25s working in the private sector is 3 times higher than in local government
- 75% of people who will be working in 2020 are already in jobs
- Only 2 Scottish councils have comprehensive effective Succession Planning arrangements
- 20% of adults in Scotland have low levels of literacy and numeracy
- UK managers hold fewer advanced qualifications than other countries
- 20% of employers report skills gaps/deficiencies in their workforce

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Workforce Challenges

- Scale of spend on negative outcomes
- Outputs vs outcomes
- Quantitative vs qualitative
- Future focus vs short-termism

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Facing the Challenges

- Organisation and job design
- Strategic managerial competencies as important as practical skills
- Employment practices
- Cost effective employee development techniques
- Collaborative gain
- Alternative sources of skills

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Conclusions

- A whole organisation approach
- Size matters – but not in isolation
- Skills development and utilisation – means to an end
- Virtuous circle
- Leadership and management capacity
- HR as business partners?