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Ysgrifennydd Parhaol
Permanent Secretary

Auditor General for Wales
Audit Wales
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Cardiff
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Llywodraeth Cymru
Welsh Government

5th October 2022

Dear Auditor General

Audit Wales Report: Welsh Governments approach to workforce planning and management

I am writing in response to your publication of the above report. Please find enclosed a copy of the government response.

The report recognises the challenges facing the Welsh Government Civil Service and provided a timely, constructive and strategic input into our planning. You will note that we have accepted the range of recommendations which provide a helpful focus for our improvement work.

The recent global challenge of the Covid-19 pandemic and now the cost-of-living crisis have a significant impact on the First Minister's priorities for Wales and in turn the context, priorities and the constraints we need to operate within to manage our workforce. Through Welsh Government 2025, we have embarked on a significant programme of organisational development that will deliver a new workforce strategy and improvements to the way we are able to undertake workforce planning at a group and organisational level.

Some of your recommendations involve more technical improvements, such as implementing an upgrade to our core systems which will enable better management reporting. This will be delivered in a longer timeframe, while other improvements will be taken forward through work delivering in the months ahead. It may be helpful if we return to them over the next year. If you are agreeable, our respective teams can stay in touch to determine an appropriate point in time for an update.

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

A copy of this response goes to the Senedd's Public Accounts and Public Administration Committee for information.

Yours,

Andrew Goodall

Dr Andrew Goodall CBE
Ysgrifennydd Parhaol/ Permanent Secretary

**Welsh Government Response to the report of the Auditor General for Wales
into Welsh Government workforce planning and management (September 2022)**

Strategy and Planning – Recommendation 1

The Welsh Government should prioritise the development of its workforce strategy. In particular, this work needs to embed the sustainable development principle set out in the Well-being of Future Generations Act and cover:

- a) a clear assessment of long-term future workforce needs to deliver on policy priorities as well as core statutory functions.
- b) a clear roadmap to bridge any gaps between the current workforce size and capability and the future needs, including any plans for alternative delivery mechanisms.
- c) a clear and robust process for prioritising workload within available resource limits.
- d) succession planning to ensure that the next generation of civil servants has the opportunity to enter the workforce and develop.
- e) alignment of the strategy with wider policy goals, notably to align the approach to recruitment with goals around equality, including reducing socio-economic inequality in Wales.
- f) Clear milestones for delivery and a robust system for monitoring and evaluating progress and updating the strategy in light of lessons learnt.

The Welsh Government has established a formal organisational development programme to focus our effort on making the changes to ensure we are fit for purpose. The organisation has been engaged in shaping the programme - **Welsh Government 2025** - over the summer with the formal oversight and governance, WG2025 Implementation Board chaired by our new Chief Operating Officer, Tim Moss now in place to drive action planning, implementation and evaluation. As part of Welsh Government 2025, we are developing a new workforce strategy that reflects the challenges facing the organisation now and, in the years, ahead.

The outcomes we need to achieve through our workforce strategy and the steps that will get us there will be developed over the next few months. **The workforce strategy and initial action plan will be published later this year.**

The Welsh Government will continue to prioritise the alignment of our workforce to priorities set out by the First Minister in the programme for government and ensure the organisation is able to fulfil its statutory duties. The new workforce strategy will set out the capability priorities and a development plan for our workforce including how we further embed the principles of the Well-Being of Future Generations.

Alongside the workforce strategy, we will deliver improvements in workforce planning through the implementation of the **Workforce Delegation and Accountability Framework**. This will delegate workforce planning and staff budgets, as well as accountability for decision-making, to Senior Civil Servants and support more flexible and responsive resourcing arrangements. This will provide a route for identifying alternative delivery mechanisms for specific delivery priorities and managing the impact on our workforce. **The framework will be in place and operational in late 2022.**

We have introduced formal arrangements for annual succession planning at a Senior Civil Service level this year. From April 2023, we will build succession planning into our core approach for workforce planning and talent management at a team, profession and leadership level.

The Welsh Government has set ambitious targets in the **Workforce, Equality, Diversity and inclusion Strategy 2021 – 2026** to increase the diversity of our workforce and strive to create a workforce that represents the communities they serve. Welsh Government will align itself to the UK Civil Service position of the ‘external by default’ principle for all Senior Civil Service (SCS) posts being filled on a permanent basis. Wherever possible, we will prioritise external recruitment for the delegated grades (Team Support to Grade 6) and undertake targeted outreach activity to attract a diverse pool of candidates. **Within the constraints of our overall workforce affordability, we will be clear in the workforce strategy about the outcomes and action we will take to deliver these ambitions.**

The WG2025 Implementation Board will endorse a delivery plan setting out clear milestones for the first year, maintain oversight of performance and evaluate progress.

Management information – Recommendation 2

The Welsh Government should strengthen workforce data and underpinning systems to support workforce planning and day to day staff management, including enabling groups and managers to have better direct access to workforce data and reducing the reliance on manually collating workforce information.

The Welsh Government is committed to deliver improvements in the availability of accurate and timely management information to inform workforce planning and decisions at a strategic and operational level.

We are near completion of an upgrade to our information management systems that will put in place a stable platform with the capabilities required to improve the collection, analysis and use of HR management information at all levels. **This programme will deliver an upgrade of two corporate systems – recruitment and HR Information System - by January 2023 with a programme of developments planned thereafter.**

We are continuing to develop an internal analytics function as part of our overall approach to improve strategic workforce planning and management. We have made early improvements to the reporting on key people themes, such as absence and performance. We will deliver further improvements to workforce planning information as part of operationalising the Workforce Delegations and Accountability Framework.

Operational workforce management – Recommendation 3

The Welsh Government should review the Workforce Delegation and Accountability Framework two years after its introduction to evaluate its effectiveness in enabling more flexible and responsive workforce management, and its contribution towards the objectives of the wider workforce strategy.

The new Workforce Delegation and Accountability Framework will re-calibrate our approach to workforce governance, delegations, and controls to ensure that accountability is clear and that decisions on staffing matters can be exercised at appropriate leadership levels across the organisation. We intend the next year to be transitional with an initial review of how the framework is operating at the end of this financial year.

The Welsh Government will undertake a formal review of the impact the Workforce Delegation and Accountability Framework has on workforce planning and management including the impact on the outcomes of our new workforce strategy at the end of 2023-24.