



Welsh Government workforce planning and management

Report of the Auditor General for Wales

September 2022



This report has been prepared for presentation to the Senedd under s145A of the 1998 Government of Wales Act and Section 135 of the Government of Wales 2006 Act

The Auditor General is independent of the Senedd and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

© Auditor General for Wales 2022

Audit Wales is the umbrella brand of the Auditor General for Wales and the Wales Audit Office, which are each separate legal entities with their own legal functions. Audit Wales is not itself a legal entity. While the Auditor General has the auditing and reporting functions described above, the Wales Audit Office's main functions are to provide staff and other resources for the exercise of the Auditor General's functions, and to monitor and advise the Auditor General.

You may re-use this publication (not including logos) free of charge in any format or medium. If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Key messages	4
Key facts	7
Recommendations	8
Detailed report	
1 The Welsh Government's workforce has become smaller since 2010 as it has sought to contain staff costs	10
2 The Welsh Government has had to manage operational workforce pressures which have impacted on the delivery of its objectives	18
3 The Welsh Government recognises the need for a more strategic approach and is developing a longer-term workforce strategy	30
Appendices	
1 Audit approach and methods	41

Key messages

Background

- 1 The Welsh Government has faced some unprecedented staffing challenges associated with Brexit transition and the response to the COVID-19 pandemic. These national events have escalated the importance and impact of effective workforce management.
- 2 This report considers whether the Welsh Government has a sound approach to workforce planning. We looked at the main issues shaping the Welsh Government's current workforce, its response to short-term pressures and priorities, and its longer-term initiatives to develop a workforce strategy and better information systems. We completed our evidence gathering before the Welsh Government restructured into new groups¹ and introduced a new Chief Operating Officer role from April 2022. **Appendix 1** describes our audit approach and methods.

Overall conclusion

- 3 The Welsh Government has faced significant operational workforce pressures. It has sought to contain staff costs and manage a reduction in staff numbers, while pursuing its policy programmes and responding to events, especially the COVID-19 pandemic. At times these workforce pressures have impacted the Welsh Government's ability to deliver its objectives and some functions are not resilient.
- 4 The Welsh Government has been managing these pressures in the absence of a formalised strategic workforce plan and with limited external recruitment. Progress in developing a more strategic approach was delayed by the COVID-19 pandemic. The Welsh Government is reinvigorating this work and intends to develop a workforce strategy that is integrated with other key organisational strategies around home working and use of digital technology. In doing so, it will also need to improve its use of data to underpin its strategic and operational workforce management.

1 Groups are the way the Welsh Government structures itself. Each group is sub-divided into directorates, divisions, branches, and teams.

Key findings

- 5 Since 2010, the Welsh Government has sought to contain its running costs during a period of financial constraint by limiting staff numbers through stringent controls on the creation of new posts and on external recruitment, especially for permanent staff. The full-time equivalent workforce was 9% smaller in 2021-22 than in 2009-10, despite a modest increase since 2017 to cope with the most urgent demands of Brexit and the COVID-19 pandemic. Overall staff costs fell in real terms after 2010 but have now returned to their 2009-10 level. Real-terms salary costs have fallen by 6.6% over the period, but total staff costs rose by 0.3% due mainly to higher pension and National Insurance contributions.
- 6 The result has been a relatively stable, experienced workforce that has had to adapt to rising workload pressures, especially the exceptional challenges of the COVID-19 pandemic. Staff have benefited to some extent from career development opportunities within the relatively closed workforce. Staff survey results have generally been favourable, although rising workloads have put pressure on many staff.
- 7 The current position creates longer-term challenges for the Welsh Government as the workforce ages. Low staff turnover coupled with recruitment controls makes it difficult to diversify the workforce so that it is representative of the broader Welsh population, or to bring in fresh talent, new perspectives and key skills, even when external recruitment would yield financial savings. The proportion of staff who are disabled and from ethnic minority groups have both risen slightly. But both are still some way from reflecting the diversity of the population. There has been limited progress in closing the gender pay gap.
- 8 Workforce pressures have made it difficult for the Welsh Government to achieve some of its policy ambitions. Several programmes and projects have been delayed due to staff shortages and some policy areas are not resilient. To date, the Welsh Government has managed these challenges through reactive measures to meet pressing short and medium-term needs, alongside a tightening of central control over budgets and workforce decisions, especially recruitment.

- 9 The Welsh Government has run some strategic organisational development initiatives but has never had a strategic workforce plan. It has been progressing efforts to develop a strategic plan since 2019. It has produced a baseline review of the workforce and a set of strategic principles for future planning. However, the work has been repeatedly delayed by the COVID-19 pandemic. Over recent months, senior managers have sought to assess in more detail the implications of the pandemic for future ways of working. Gaps in data and fragmented systems have made the process of workforce planning more difficult, though improvements to information systems are being planned.
- 10 Officials plan to develop an overarching workforce strategy during 2022-23, aligned to new workplace and digital strategies. Under a new Workforce Delegation and Accountability Framework, groups will develop workforce plans and will gain greater autonomy, potentially addressing some of their concern about the inflexibility and delays in the current system of recruitment controls and central budgeting. The new Framework presents a new challenge to groups to step up their workforce planning.



Like many other public bodies, the COVID-19 pandemic has had a significant impact on the Welsh Government's workforce as its staff have had to adapt to new ways of working and rapidly changing priorities. However, the need for a comprehensive strategy to deal with long-term workforce challenges in a sustainable way is increasingly pressing. The Welsh Government faces a challenging workload to deliver its programme for government, while dealing with the aftermath of the pandemic and new responsibilities arising from Brexit.

Adrian Crompton
Auditor General for Wales



Key facts

Workforce numbers and costs

5,571 average number of full-time equivalent staff employed by the Welsh Government in 2021-22

£351 million total staff costs in 2021-22

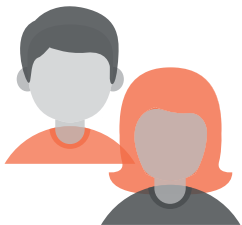


0.3% real terms increase in staff costs between 2009-10 and 2021-22 (reduction of 6.6% in salary costs, increase of 24.4% in other staff costs)



9% reduction in full time equivalent staff between 2009-10 and 2021-22

Workforce diversity (2020-21)



59% percentage of staff who are female

43% percentage of senior staff who are female

7.4% gender pay gap



2.8%

percentage of staff from a non-White ethnic minority



5.9%

percentage of staff who are disabled

Staff survey (October 2021)

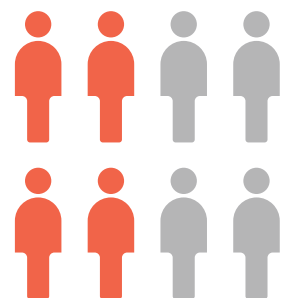
75% percentage of staff saying they had an acceptable work-life balance



63% percentage of staff saying they had an acceptable workload

50%

percentage of staff saying they had opportunities to advance their career





Recommendations

Recommendations

Strategy and planning

- R1** 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 capabilities 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; and
 - f clear milestones for delivery and a robust system for monitoring and evaluating progress and updating the strategy in light of lessons learnt.

Recommendations

Management information

- R2** 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.

Operational workforce management

- R3** 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.

Detailed report

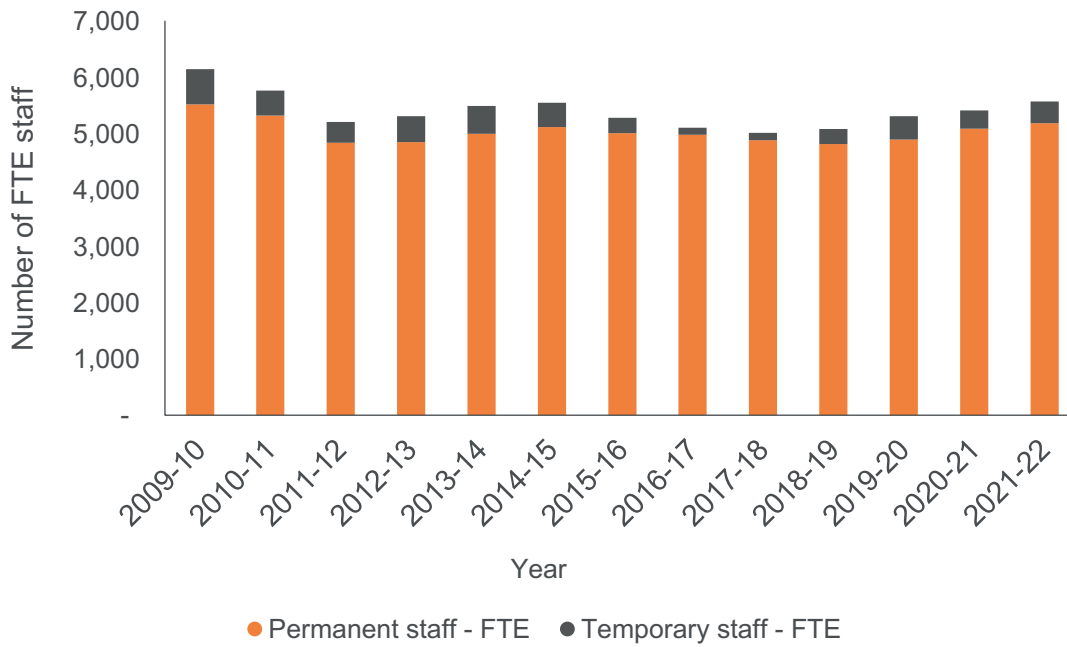
The Welsh Government's workforce has become smaller since 2010 as it has sought to contain staff costs

1.1 This part of the report describes the current profile of the Welsh Government's workforce and explains some of the main trends in its size, composition and cost over the last 12 years. The Welsh Government's workforce undertakes a wide range of work across many different professions, including policy development and operational delivery as well as support functions like legal, financial, procurement and ICT.

Despite some recent growth, the Welsh Government's workforce has decreased since 2010

- 1.2 The workforce increased significantly between devolution in 1999 and 2010. In 2010, UK Government policy switched from a policy of growth in spending to one of sustained constraint. The Welsh Government's funding fell in real terms over the period from 2010-11 until the start of the COVID pandemic, and the resulting budget cuts for devolved public services led to a significant reduction in the public sector workforce across Wales. The Welsh Government decided to reduce its running costs in real terms – with a consequential impact on staff numbers – to reflect these financial constraints and the trend elsewhere in the public sector.
- 1.3 While staff numbers have fluctuated since 2009-10, especially for temporary staff (**Exhibit 1**), the Welsh Government has maintained the policy of containing staff numbers. Staff transfers into and out of the Welsh Government due to organisational changes have affected staff numbers to some extent. For example, some staff were transferred out from the Welsh Government following the creation of Transport for Wales while new staff were brought in following the in-sourcing of the Welsh Government's ICT service in 2019.
- 1.4 Recently there has been some increase in the number of staff to meet additional requirements arising from Brexit and the COVID-19 pandemic (see part 2 of this report). Nonetheless, average full-time equivalent staff numbers in 2021-22 were 9% lower than in 2009-10. On average during 2021-22, the Welsh Government employed 5,571 full-time equivalent staff, of whom around 7% were on temporary contracts.

Exhibit 1: Welsh Government full-time equivalent (FTE) staff numbers, 2009-2022



Note: these figures are the average for the year based on the monthly data reported by the Welsh Government and exclude ministers' special advisors.

Source: Welsh Government, [Number of staff at the Welsh Government](#), accessed 28 July 2022

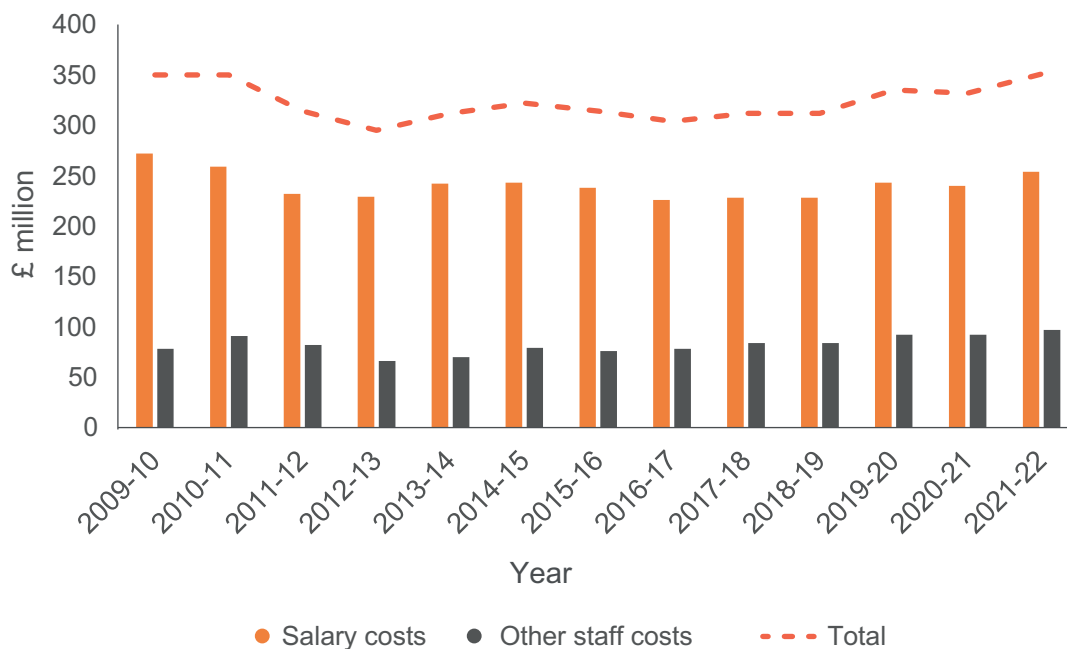
Overall staff costs fell in real terms after 2010 but have now returned to their 2009-10 level, due mainly to rises in National Insurance and pension contributions

- 1.5 The Welsh Government managed much of the workforce reduction through successive voluntary exit exercises. Between April 2010 and March 2021, 1,544 staff left the Welsh Government with severance or early retirement packages, of which all but 12 were on voluntary terms. The total cost was £72.1 million at an average of £46,687 per employee. Most of these exits occurred early in the period, with 637 in 2010-11 alone.
- 1.6 Staff costs² have been curtailed, although not necessarily in line with staff numbers. Total staff costs were £351 million in 2021-22, 26% higher than in 2009-10 in cash terms. However, once inflation³ is factored in, real terms spending on staff costs fell after 2010, started to rise from 2017-18, and was only 0.3% higher in 2021-22 than 2009-10 (**Exhibit 2**). Salary costs were 6.6% lower while other staff costs rose by 24.4%, due mainly to rises in pension and National Insurance contributions (**paragraph 1.7**). The Welsh Government's salary scales have risen by less than inflation over the period, but the average salary has risen slightly in real terms as the proportion of staff in more senior grades has increased (**paragraph 1.8**).

2 Staff costs in this section are derived from Welsh Government annual accounts for the period, excluding subsidiaries. The 2021-22 data is from the unaudited draft accounts. See notes below Exhibit 2 for further information.

3 On the basis of the GDP deflator measuring prices across the whole economy, HM Treasury, GDP deflators at market prices, and money GDP June 2022 (Quarterly National Accounts), June 2022. This shows inflation of 25.3% over the period 2009-10 to 2021-22.

Exhibit 2: Welsh Government staff costs in real terms, 2009-2022 (2021-22 prices)



Notes:

Costs are for the Welsh Government departments only, excluding subsidiaries.

Salary costs include some non-salary costs like allowances, overtime and voluntary exit payments. We have adjusted salary costs reported in the accounts to remove changes in annual leave balances accrued by staff, which had increased to £15.2 million in 2021-22.

Other staff costs include employer’s National Insurance contributions, employer’s pension contributions and changes in pension liabilities. Pension liabilities relate to early retirement provisions and obligations to staff who have transferred into the Welsh Government from other bodies but have retained their membership of their previous employer’s pension scheme. These liabilities fluctuate from year to year and varied between £3.9 million and £23.6 million in real terms during the period.

Source: Welsh Government Consolidated Accounts, 2009-10 to 2021-22 (draft unaudited accounts for 2021-22 data)

- 1.7 Costs are affected by the number of staff, their grade, their position on their pay scale and pay settlements negotiated with trade unions. Headline pay increases have been restrained, often below inflation. However, other factors have put upward pressure on costs. These factors include:
- increases in employer pension contributions for the Principal Civil Service Pension Scheme (employee contributions have also increased). Total pension costs increased by 54% in cash terms between 2009-10 and 2021-22.
 - the abolition of the contracted-out rebate for employer's National Insurance contributions in 2016-17, which increased the Welsh Government's cost by around a quarter. Total National Insurance costs increased by 59% in cash terms between 2009-10 and 2021-22.
 - the payment of guaranteed salary increments to most staff, provided they are assessed as being effective in their roles, until they reach the top of their pay scale (typically within two to six years). This policy – agreed with the trade unions – has been in place for many years to ensure equal pay for staff in the same grade.
 - a change in the grade mix (**paragraph 1.8**).

The Welsh Government's workforce is getting older, more senior and more diverse in some respects

- 1.8 The proportion of staff in more senior roles has increased in the last ten years (**Exhibit 3**). This shift gradually took place between 2013 and 2016 and the proportion of staff in each grade has stayed broadly the same since 2016.

Exhibit 3: staff by grade as a proportion of total full-time equivalent staff, 2009-2022



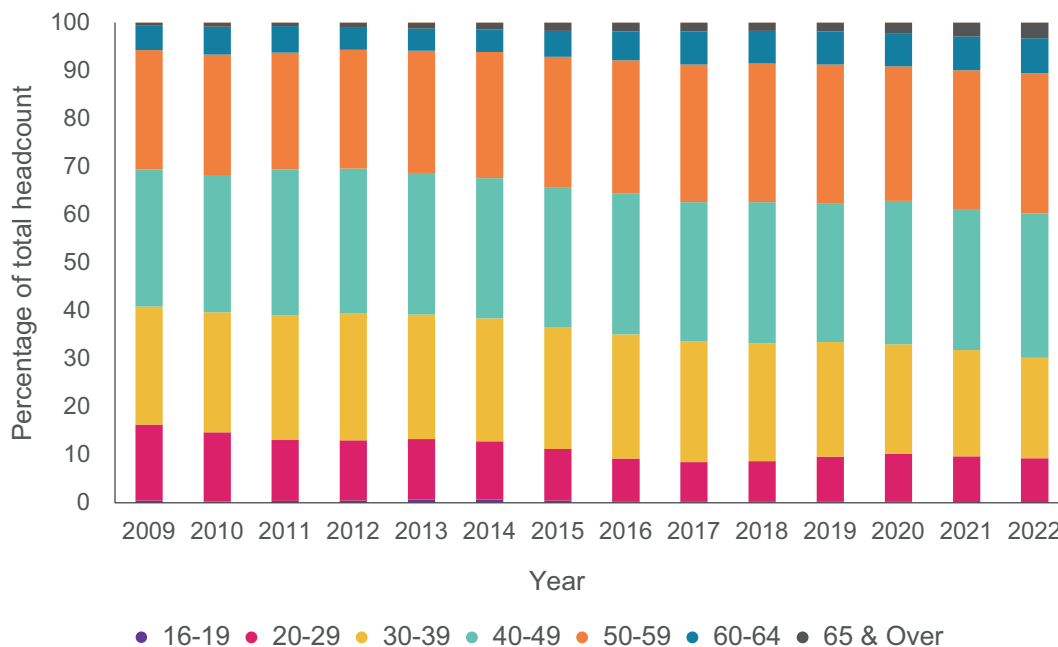
Note: The data reflects the position on 31 March of each year.

Source: Audit Wales analysis of [Civil Service statistics: 2009 to 2022](#) (Statistical tables, table 21)

1.9 The Welsh Government has frozen external recruitment for permanent staff, other than for certain specialist roles and some senior posts, for much of the period since 2009-10 (**paragraph 2.7**). There was also some external recruitment of temporary staff to cover the rise in Brexit workload (**paragraph 2.9**). External staff turnover has been subdued compared to wider civil service and labour market trends and was only 3.4% in 2020-21. However, there was a buoyant internal market during this period as staff competed for posts through internal recruitment. As a result, there was frequent turnover of staff within the Welsh Government until the COVID-19 pandemic. From April 2020, senior management restricted staff transfers to those required to meet the immediate needs of the organisation to deal with the pandemic and other critical tasks.

1.10 The limited recruitment of staff externally has also contributed to an ageing workforce, with 40% of staff over 50 years old and only 9% aged between 16 and 29 years (**Exhibit 4**). The proportion of staff within the higher age ranges has steadily increased over the last ten years.

Exhibit 4: percentage of total staff (headcount) by age range, 2009-2022



Note: The data reflects the position on 31 March of each year.

Source: Audit Wales analysis of Civil Service statistics: 2009 to 2022, (Statistical tables, table 39)

1.11 The Welsh Government has sought to increase the diversity of its workforce by increasing the proportion of staff who are disabled or from an ethnic minority background, but progress has been slow due to limited external recruitment. The proportion of staff are disabled has increased from 4.4% to 5.9% between 2010-11 and 2020-21 and the target of 5.8% was achieved in 2019-20. The proportion of the working age population in Wales with a disability is around 22%⁴. The proportion of staff from ethnic minorities rose from 2.2% to 2.8% over the same period, exceeding the target of 2.5%, but still below the average of 4.9% for the population of Wales reported by the Welsh Government⁵.

4 Office for National Statistics, Annual Population Survey, year to September 2021 (from StatsWales: [disability status by region](#))

5 The Welsh Government’s StatsWales website reports that 4.9% of the population are from a Black, Asian or minority ethnic background. This figure does not include white ethnic minorities, such as travellers. The Office for National Statistics reports ethnic minorities as all groups other than ‘White British’. Using this definition, the ethnic minority population is around 7.8%.

- 1.12 The Welsh Government has a target of recruiting 20% of externally appointed staff from each group (disabled people and those from an ethnic minority) by 2026 to help increase representation. In 2019-20, 5.9% of external applicants were disabled and 7.2% were from an ethnic minority group.
- 1.13 Low turnover of staff in senior grades has made it more difficult to reduce the gender pay gap⁶, which was 7.4% in 2020-21, similar to previous years. Around 59% of staff are female, but the proportion falls to 43% of the senior civil service, almost unchanged from the 42% in 2010-11. This imbalance in the higher paid senior roles accounts for much of the gender pay gap.
- 1.14 The Welsh Government aims to become a bilingual organisation by 2050 in which all its staff can at least understand Welsh. In 2020-21, 24% of the Welsh Government's staff could understand Welsh at the level required for bilingual working. Staff surveys show that fluency in Welsh has been fairly stable at 16-17% of staff for several years, but there has been a reduction in the proportion of staff who have no Welsh language skills at all.

6 The gender pay gap is the difference between the average basic full-time salary of women as a percentage of the average basic full-time salary of men employed by the Welsh Government. The calculation does not include allowances or overtime.

The Welsh Government has had to manage operational workforce pressures which have impacted on the delivery of its objectives

2.1 The part of the report looks at the Welsh Government's operational workforce planning⁷ and management. It considers how the Welsh Government has responded to changing priorities and the impact of workforce pressures on delivery and staff welfare.

The arrangements for operational workforce planning have been increasingly centralised, partly as a response to COVID-19

2.2 Operational workforce planning in the Welsh Government is mainly done at group level. In April 2022, the Welsh Government restructured into six groups, one to be headed by a newly created post of Chief Operating Officer (**Exhibit 5**). The restructuring has resulted in a more even distribution of staff between the main groups. The Chief Operating Officer's Group will include internal services as well as Care Inspectorate Wales, Healthcare Inspectorate Wales and Planning and Environment Decisions Wales⁸. Each group is sub-divided into directorates, divisions, branches and teams.

7 Operational workforce planning is the process by which an organisation plans the size, deployment and development of its workforce over the near-term, typically 3 to 12 months.

8 At the time we carried out our fieldwork, there were four groups plus the Office of the First Minister. The groups were: Economy, Skills and Natural Resources (the largest with almost 40% of staff resources); Education and Public Services; Health and Social Services; and the Permanent Secretary's Group. The Office of the First Minister included cross-cutting policy teams, and the Permanent Secretary's Group included certain internal services such as central finance and HR.

Exhibit 5: full-time equivalent staff by group, 30 April 2022

		Number	%
HSS	Health and Social Services	753	13.4
CCRA	Climate Change and Rural Affairs	1,399	24.8
ESJWL	Education, Social Justice and Welsh Language	785	13.9
ETC	Economy, Treasury and Constitution	1,174	20.8
CRLG	Covid Recovery and Local Government	149	2.6
COOG	Chief Operating Officer's Group	1,254	22.3
OFM	Office of the First Minister	104	1.8
PSO	Permanent Secretary's Office	16	0.3
	Total	5,634	100.0

Source: Welsh Government

2.3 Until the start of the COVID-19 pandemic in March 2020, groups were responsible for operational planning within an organisation-wide framework set by the central finance and HR functions. Salaries and other terms and conditions are set centrally following negotiation with the Welsh Government's recognised trade unions. Many other HR policies, such as the use of temporary duties allowances and temporary promotion, are also agreed centrally and groups have no freedom to diverge from them.

- 2.4 While arrangements varied between groups, each typically had an operations director to oversee the management of resources, including staff. The operations director chaired a committee (known as a resource panel) to consider priorities and make decisions on staff deployment accordingly. Each group had dedicated HR business partners to provide advice on workforce planning, job design, performance development and well-being, as well as administrative services. Within groups, directors were able to allocate their own staff to ensure priorities were met and would revert to the resource panel if they needed additional staff. If requests could not be met within the group, the group resource panel would seek approval for additional resources from the Welsh Government's Executive Committee⁹.
- 2.5 When deciding on whether to approve requests to the Executive Committee for new posts or additional staff, group resource panels would consider such factors as:
- how the role contributed to achieving goals, strategies and priorities;
 - alternative solutions to additional staff, such as merging posts, temporary duties allowances etc;
 - the risks if the bid were not approved; and
 - the cost of the job and how it would be funded. Programme funded posts (those where costs are met from the programme budget) were more likely to be approved than those funded from the Welsh Government's central administrative costs budget.
- 2.6 In 2018, the Welsh Government centralised its staff cost budgets, which had previously been delegated to groups. Groups continued to work within headcount limits set centrally. The headcount controls cap the number of staff in each group but do not specify the grade of these posts. However, the headcount limits are set at a level well in excess of the numbers actually in post, so they have had no practical impact on workforce planning. In practice, groups' freedom to act has been constrained by budgetary and policy constraints (for example, on recruitment and temporary promotion) that are managed centrally.
- 2.7 All external recruitment for permanent jobs had to be authorised centrally from 2018 and was generally limited to senior or specialist posts. In 2019, the Welsh Government centralised recruitment and case advice as part of a pilot project aimed at providing a more efficient and consistent service.

⁹ The Executive Committee is part of the senior management structure for the Welsh Government. The Executive Committee aims to provide strategic leadership and assurance that the Welsh Government's programme for government is delivered and ensure that resources are prioritised and deployed effectively.

2.8 Since the start of the pandemic, the autonomy of groups has been further reduced and replaced with strong central control over resourcing decisions. The Welsh Government's executive leaders decided that the scale and urgency of staff redeployment required to meet the needs of the pandemic were such that decisions should be directed centrally. The Executive Committee has made decisions on resource allocation and staff management in cooperation with groups. At the same time, staff were directed to move to new posts on a temporary basis, and internal competitive recruitment was suspended to ensure that resourcing requirements were met swiftly and efficiently. These arrangements largely ended from January 2022 as COVID-related pressures eased, when the Welsh Government resumed internal competition for priority roles and lateral moves.

The Welsh Government has reacted to changing priorities primarily by moving staff around, with limited external recruitment

2.9 Before the COVID-19 pandemic, the arrangements set out above had enabled groups to respond to priorities and gaps by moving staff around. The Welsh Government re-allocated staff to manage the pressures posed by Brexit (**Exhibit 6**). While there was some limited external recruitment, much of it temporary¹⁰, most of the Brexit-related preparations were led and carried out by staff moved from other substantive roles within the Welsh Government. In February 2019, we set out the views of officials that the movement of staff to Brexit related roles had left gaps in the delivery of non-Brexit work¹¹.

10 The number of temporary full-time equivalent staff rose by around 280 in the two years to 31 March 2020, to recruit for specialist posts and to backfill gaps caused by the redeployment of experienced permanent staff to Brexit-related work.

11 Auditor General for Wales, [Preparations in Wales for a no-deal Brexit](#), February 2019

Exhibit 6: workforce pressures arising from Brexit

Preparations for Brexit required substantial staff time to review and amend legislation and develop plans for the transition to new trading and border arrangements. All groups faced significant additional workloads, with the Economy, Skills & Natural Resources (ESNR) group and the Office of the First Minister most affected. For example, the ESNR group reported that it delivered 40 pieces of legislation and 75 readiness projects by the end of 2020-21 against rapidly changing timescales and considerable uncertainty in the pre-Brexit period.

The work also greatly increased demand on the Welsh Government's legal staff, who had to deal with a fast-changing and complex situation and ensure that there were no gaps in regulations when EU law stopped applying. A modest increase in the number of lawyers was not sufficient to deal with the additional workload, so some policy work needed to be reprioritised.

Brexit has resulted in 3,500 new legal responsibilities for Welsh Ministers within ESNR's remit. These responsibilities could require significant staff resources, depending on how Ministers choose to exercise them. The end of European agricultural, structural and investment funds in Wales could release around 250 staff but will be replaced by UK or Welsh Government schemes whose resource implications are uncertain at present. The European structural and investment programmes will continue to operate in Wales until the end of 2023 so any dividend in terms of staffing will not emerge immediately.

- 2.10 The response to the COVID-19 pandemic has also required a huge shift of resources from business-as-usual work. Almost all areas of Welsh Government activity have had to adapt policy and practices, often at exceptional speed. The pandemic has led to particular demands for staff with in-depth experience of policy and government business, as well as legal, analytical and communications expertise.

- 2.11 The Welsh Government reported in its 2019-20 accounts that around 80% of its staff had been working on the pandemic, either in a new role or because their own role had substantially changed. Throughout the period, the pandemic response has been the top priority and other work has been deferred to re-allocate resources. After the first wave of the pandemic, the Welsh Government identified 73 critical roles in autumn 2020, mostly in the Health and Social Services Group, that were filled by moving staff from elsewhere in the organisation. In the ESNR Group, 450 staff were moved to new COVID-19 specific roles and 60 staff were moved to roles elsewhere in the organisation, while 75% of the group's staff were engaged in COVID-19 related work on a full-time or part-time basis. Other groups also faced pressures and had to redeploy staff to COVID-related work.
- 2.12 Where the approach of moving existing staff within the Welsh Government has not been sufficient, the Welsh Government has sought additional staff. This has been from a variety of sources, mainly on a fixed term basis without recruiting permanently (**Exhibit 7**).

Exhibit 7: arrangements for temporarily filling staffing gaps

Loans from other UK Government departments	This is relatively straightforward to arrange and has the benefit that staff are familiar with civil service work, have already passed security vetting checks and already operate at the expected grade.
Secondments	Staff brought in from the NHS, local authorities or other public bodies in Wales, especially during the pandemic.
Agency staff and staff on fixed term contracts	<p>The Welsh Government has made increasing use of these arrangements to meet urgent requirements.</p> <p>Certain grades of directly recruited temporary employees may be converted to permanent status after 12 months if the need for their role is ongoing and budgetary cover is available to fund their employment. In addition, those recruited through a fair and open competition are eligible to apply for internally advertised permanent positions after 12 months.</p> <p>An internal audit in June 2020 found that the use of agency workers was not centrally controlled in a way that ensured value for money and compliance with the Agency Workers Regulations, which require agency staff to be offered the same basic terms and conditions as directly employed staff after 12 weeks in the job.</p>

Temporary duties allowances (TDAs)

There has been extensive use of TDAs, whereby staff are paid either a 10% salary supplement to undertake duties at the grade above their own, or a 5% supplement for undertaking additional duties at their substantive grade. Until January 2022, they were designed to cover temporary staffing gaps for a relatively short period, and could be filled quickly without the need for fair and open competition.

Senior staff have used TDAs to cover vacancies for extended periods without recruiting or promoting staff, and their use has grown, covering 13% of Welsh Government staff in January 2020.

The Welsh Government has agreed a policy with trade unions that individuals should not remain on TDA to the next grade for more than 12 months. However, they have been used for longer periods, increasingly so during the pandemic to meet urgent staffing requirements. The extensive use of TDAs has caused concern among staff and trade unions, as TDA recipients are not paid the full rate for the work they are doing and do not have the security of a permanent promotion.

The Welsh Government has sought to reduce the use of TDAs through assessment and development gateways, whereby successful candidates are assessed as fit for promotion to a higher grade and ultimately promoted. It has also agreed a new policy with the trades unions, which it will roll out during 2022-23. The policy aims to replace TDAs for higher grade work with formal temporary promotions with appropriate pay uplifts and clear end dates, which are opened up to a wider range of staff. However, TDAs remain in common use. An internal audit in August 2018 found that earlier efforts to curtail the use of TDAs were unsuccessful, as groups were not complying with guidance that TDAs should only be used in exceptional circumstances and must be approved centrally.

2.13 The Welsh Government's internal audit service has carried out reviews of secondments, agency workers and temporary duties allowances in recent years. It found administrative weaknesses arising from a range of factors including unclear or inconsistent guidance, inconsistent practice between groups, non-compliance with central guidance and a lack of central oversight. The audits were only able to provide limited assurance of effective governance, risk management and internal control in these areas.

- 2.14 There has been some external recruitment, largely from other parts of the civil service. Recruitment from outside the civil service has been limited to specialist posts, the Welsh Government entry-level apprenticeship scheme, and an exercise in autumn 2020 to recruit 20 senior officials at Deputy Director grade. Even for specialist posts, it can be hard for managers to obtain approval to recruit externally. For example, the ICT division has struggled to obtain permission to fill all posts in its target operating model. This has resulted in staff gaps and ongoing use of expensive consultants to cover roles that could be filled more cheaply through recruitment.
- 2.15 External recruitment is a time-consuming process that requires approval at group and organisational level that the post is necessary and affordable and that alternatives to external recruitment are not suitable. Once these approvals are obtained, the process of advertisement, selection and on-boarding begins. Resource pressures at any one of these stages can lead to delays. Senior managers in groups have expressed concerns about the length of the process and the effects of the resulting gaps on projects and services.

Workforce pressures have impacted on delivery in some areas and some functions are not resilient

- 2.16 The Welsh Government has struggled to resource all policy commitments to meet planned timescales. During the pandemic, particularly at peaks of the waves of infection, critical COVID-19 related roles took precedence over everything else. Unsurprisingly, this caused delays in delivering some of the 121 policy commitments in the 2016 to 2021 Programme for Government. The legislative programme for the 2020-21 session of the Senedd was scaled back, with other legislation deferred. The Government's legislative programme was under particular pressure due to a lack of specialist legal expertise and experienced policy professionals who are needed to pilot a bill through the various stages into law.

- 2.17 The activities affected have varied over time depending on relative priorities, with group risk registers indicating officials' concerns about several high priority projects at different times. For example, in January 2022, risk registers identified resource constraints as a risk to delivery of the Tertiary Education and Reform Bill, the Building Safety Programme, border controls at Welsh ports, the local government financial reform programme, the Additional Learning Needs project and policy work on second homes. There were no resources at all to take forward some other policy commitments. Officials have responded by discussing priorities with Ministers and deferring or scaling back work accordingly.
- 2.18 Resource constraints have had a significant impact on the progress of work that is not considered a short-term or high-impact priority, with various policy development projects being suspended or slowed at times. Many vacancies have not been filled, leaving some teams depleted and unable to pursue the full range of intended activity, focussing instead on the most essential tasks. In some cases, teams are reliant on a single individual to deal with important areas of work, creating resilience risks if that individual were absent or left the organisation.
- 2.19 There have also been fewer resources to undertake corporate functions such as HR, internal audit and risk management, and some senior staff have been unable to maintain their membership of audit and risk assurance committees due to other pressures. The pandemic also led to an increase in demand for some corporate functions, such as HR.
- 2.20 Ongoing statutory services have also been affected in several areas. For example, Care Inspectorate Wales and Healthcare Inspectorate Wales – which are part of the Welsh Government – have found it difficult to deliver their inspection programmes due to staff shortfalls and restrictions on recruiting to key posts. Healthcare Inspectorate Wales has managed these pressures by using TDAs and fixed term contracts, but the use of fixed term contracts has made some posts less attractive and harder to fill. The Welsh Government has now restored delegated powers to the two inspectorates to recruit externally.

2.21 Several of our own reports, and the work of the Welsh Government's internal audit service, have also indicated that staff shortfalls have sometimes had a detrimental impact on service quality or delivery, even before the disruptive effects of the COVID-19 pandemic (**Exhibit 8**). Reports by the Welsh Government's internal audit service before the pandemic have also highlighted issues resulting from staff shortages. For example, these include administrative failures that led to the withdrawal of two grant claims for EU technical assistance for the Rural Development Plan, and incorrect payments to staff in Qualifications Wales under a payroll services agreement.

Exhibit 8: examples of workforce issues raised in Audit Wales reports

<p>Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)</p>	<p>We found that a majority of organisations surveyed felt that guidance from the Welsh Government was too late to be useful and that they received limited support from the Welsh Government, partly because of resource constraints and frequent staff turnover in the relevant team of officials.</p>
<p>Managing the impact of Brexit on the Rural Development Programme in Wales (November 2018)</p>	<p>We found that a lack of staff capacity had stifled the Welsh Government's ability to open more schemes and thus expedite the use of EU rural development funding. In July 2018, there was a backlog of 132 projects still in appraisal stage.</p>

Most staff continued to have positive views about their workload and work-life balance, but the Welsh Government has nevertheless been concerned about staff welfare

- 2.22 As noted in **paragraph 2.11**, the COVID-19 response has had a direct impact on the vast majority of Welsh Government staff. Throughout this period most staff have worked from home. Officials told us that many staff have increased their working hours substantially and have built up a backlog of annual leave and flexitime which will be challenging to manage. The Welsh Government was unable to quantify the backlog as it does not hold central data on leave or working hours, although it has a project underway to develop this data.
- 2.23 Senior managers have expressed concerns about the impact of these pressures on staff welfare in terms of fatigue, stress and mental health. In response, the Welsh Government has expanded its wellbeing support, provided extensive IT support for home working, established regular communication channels between senior managers and staff, and offered staff more flexible working arrangements to meet individual needs during the pandemic. The HR department has run several surveys to assess the overall position on staff health and wellbeing to inform the support package and identify areas of particular risk. These areas are targeted for bespoke HR support which may include additional staff.
- 2.24 Despite rising workforce pressures, staff survey results on key metrics have remained broadly positive (**Exhibit 9**). Scores for workload, work-life balance and access to learning and development in 2021 were broadly the same as 2018 and better than the scores for 2010. The proportion of staff who felt there were opportunities for career development increased markedly, although it dipped in 2021. Indices for employee engagement and leadership and managing change also improved over the period. Similar trends were evident across the UK civil service, with the Welsh Government scoring slightly above the civil service median on most questions, and much better on pay and benefits. Despite the broadly positive picture, the survey also shows that, in 2021, 21% of respondents disagreed with the statement that they had an acceptable workload.

Exhibit 9: selected Civil Service People Survey results for the Welsh Government

Questions	% positive ¹			
	2010	2018	2020 ²	2021
I have an acceptable workload	62%	63%	64%	63%
I achieve a good balance between my work life and my private life	71%	75%	73%	75%
I am able to access the right learning and development opportunities when I need to	65%	66%	68%	67%
There are opportunities for me to develop my career in the organisation	35%	49%	52%	50%
Theme scores³				
Employee engagement index	57%	64%	69%	68%
Leadership and managing change	31%	44%	62%	60%
Pay and benefits	57%	56%	64%	60%

Notes:

- 1 Percentage of respondents answering 'agree' or 'strongly agree' to the statements. The table shows the three most recent surveys in which the Welsh Government participated (2018 being the last before the COVID-19 pandemic) and the 2010 survey at the start of the period of financial constraint that led to a reduction in the Welsh Government's workforce.
- 2 The Civil Service People Survey is run in October each year. In 2020, the survey was run about six months after the onset of the COVID-19 pandemic. Response rates for the Welsh Government were 68% in 2010, 73% in 2018, 63% in 2020 and 67% in 2021.
- 3 Each theme score represents the average for each question within the group of questions for the relevant theme. The average for the engagement index is calculated differently to the other theme scores.

Source: Civil Service People Surveys

2.25 Annual rates of sickness absence have fluctuated since 2010 at between 6.9 and 8.1 working days per employee. Levels of sickness absence fell sharply to 5.1 days in 2020-21, but officials believe that this may reflect the impact of more flexible and hybrid working on recording and reporting of sickness absence.

The Welsh Government recognises the need for a more strategic approach and is developing a longer-term workforce strategy

- 3.1 This part of the report considers the Welsh Government's approach to strategic workforce planning. Strategic workforce planning is the process by which an organisation seeks to align its workforce with its strategic ambitions. The current workforce may need to change to meet an organisation's future needs, and strategic workforce planning provides a framework for assessing and delivering the changes required¹².

The Welsh Government recognises the need for a more coherent approach having not previously had a formalised workforce strategy, but progress has been delayed by COVID-19

- 3.2 The Welsh Government has never had a full and formalised workforce strategy and recognises the need for a more comprehensive approach to strategic workforce planning. In August 2019, the Welsh Government began a Baseline Review: a detailed analysis of the employed workforce which asked directors to comment on current priorities, resourcing capacity, internal and external pressures, and opportunities to take a different approach to delivering priorities.
- 3.3 The Executive Committee intended to use the Baseline Review findings (**Exhibit 10**) to develop options for the future purpose, size, shape and operating models of the devolved civil service, following engagement with Ministers and a wide range of staff groups. This would lead to a final proposal, with a funding bid included, for approval by Ministers in March 2020. This proposal would form the basis of a future workforce strategy.

12 According to the CIPD, the process should include: gaining a full understanding of the organisation and its current environment; analysis of the current and potential workforce; determining future workforce needs; identifying gaps between the current position and future needs; and taking actions to address those gaps (CIPD, Workforce Planning and Practice Guide, May 2018).

Exhibit 10: key findings of the Welsh Government's Baseline Review in autumn 2019

About what staff were doing	<p>The review showed that 42% of staff worked mainly in Ministerial policy roles, 41% on direct delivery to citizens or customers, and 17% in corporate function roles.</p> <p>Around 12% of staff time was spent on Brexit, although relatively few staff had full-time Brexit roles.</p>
Directors' views on the workforce situation	<p>Directors reported a range of concerns about workforce pressures, including a lack of resilience, gaps in specialist expertise, and the pressures created by Brexit and a challenging policy programme.</p> <p>Directors believed that these pressures created significant delivery, financial and reputational risks, with staff too thinly spread in many areas and a lack of time for managers to develop staff.</p>
Opportunities to work differently	<p>Suggestions focused on greater collaboration (internally and with external delivery partners) and cross-government working, with some sharing of some functions across public sector bodies.</p> <p>There were also suggestions to develop alternative delivery models and bring in flexible staff as secondees, contractors and agency staff.</p>

Source: Audit Wales analysis of Welsh Government data

- 3.4 The Welsh Government set up a Strategic Workforce Planning Reference Group (the reference group) in November 2019. The reference group comprised senior staff from across the organisation and representatives from trade unions and staff networks. Its goal was to take forward the issues identified in the baseline review and develop a future workforce strategy. The reference group suspended its work in early 2020 due to the COVID-19 pandemic.

- 3.5 Work resumed in October 2020 and the reference group agreed a set of strategic principles (**Exhibit 11**) that would guide the development of a future workforce strategy. The workforce strategy will sit alongside two other strategies that will also affect the workforce:
- a future workplace strategy, which will consider how the Welsh Government should re-organise its accommodation and facilities to meet changing ways of working; and
 - a future digital strategy, which will build on existing work to enable remote working and make best use of new technology.
- 3.6 The Welsh Government intends for these new strategies to build on the experience of the pandemic, reflecting changes in working patterns, new tools to work together and share information, and more staff working remotely.

Exhibit 11: summary of principles to shape Future Workforce Strategy 2021-2026 (draft, March 2021)

Our values

- Build an inclusive culture that values strength in difference
- Open, transparent and continued engagement with staff
- A 'digital first' approach to involve, communicate and share information with staff on future ways of working
- Work in partnership with trade unions colleagues

Delivery priorities

- Deliver a motivated, capable and resilient workforce that is structured to deliver the priorities of the cabinet
- Create more flexible resourcing arrangements to prioritise how resources are deployed
- Fair, open, robust and consistent approach to recruitment, promotion and career development opportunities
- External recruitment to attract essential specialist skills, lived experience and more diversity into the workforce
- Greater opportunities and permeability across the wider civil service and public sector in Wales
- Develop a more robust workforce data and analytics function to enable data-driven decisions at all levels of workforce planning

Leadership, performance and development

- Set clear expectations for inclusive, purposeful and inspiring leaders
- Continue to embed a strength-based, coaching approach to performance conversations
- Prioritise investment in learning and development to build the capability of our workforce in priority areas
- Develop a modern, accessible learning programme that addresses core capability gaps
- Invest in creating a strong and diverse pipeline of talent for the future

New ways of working

- Prioritise the health, safety and wellbeing of our workforce
- Accelerate Smarter Working practices, building on the advantages of remote working during the pandemic and addressing its less positive aspects
- Retain a 'virtual by default' principle for meetings to retain the equity of experience and opportunity to participate on equal terms

Delivering efficient and effective HR services

- Continue to build the HR function to support strategic workforce planning while delivering efficient and effective HR services for staff.

Source: Welsh Government

- 3.7 The Welsh Government had initially intended that a draft strategy and implementation plan would be considered by its Executive Committee in February/March 2021 and then finalised in the new Senedd term. This timescale has slipped, with ongoing disruption to the workforce due to the COVID-19 pandemic, and a desire by senior managers to assess in more detail the implications of the pandemic for future ways of working.
- 3.8 In March 2021, the reference group commissioned a second data gathering exercise (the workforce reset review) to update information obtained in the baseline review. Also in March 2021, the Welsh Government launched 'Let's Talk Reset', a staff engagement exercise which invited feedback from staff on their experiences during the pandemic and views on how staff should work in future. As part of 'Let's Talk Reset', the Welsh Government communicated to all staff a set of high-level goals, agreed by the reference group that would inform the development of the future workforce, workplace and digital strategies.
- 3.9 The Welsh Government has now decided to wait until the newly appointed Permanent Secretary has consulted staff more broadly on the direction of the organisation and future ways of working. Officials told us the strategy will be developed as part of 'Welsh Government 2025', the new Permanent Secretary's organisational development programme, which will be shaped by insights from the staff engagement process.

3.10 The Welsh Government has not yet developed an action plan for addressing the needs identified in the Baseline Review or achieving the strategic objectives that it has set for itself. However, there has been some progress through Welsh Government 2025 with the Welsh Government launching a Workforce Delegation and Accountability Framework in June 2022. The Framework will see greater delegation of workforce decisions to groups. The goal of the Framework is to ensure that accountability is clear and that decisions on staffing matters can be exercised at appropriate leadership levels across the organisation. Groups will be required to work within centrally set policy and budget parameters and undertake their own workforce planning.

The Welsh Government has pursued some strategic projects to develop its future workforce as part of other initiatives

3.11 In the absence of a formal workforce plan, the Welsh Government has been undertaking elements of strategic planning as part of various organisational initiatives. In 2016, the then Permanent Secretary launched the 'Future-proofing initiative'¹³, focused on building 'a strong, skilled and sustainable civil service for the Welsh Government'. The Welsh Government did not run the future-proofing initiative as a formal programme with specific objectives and targets, so it is not possible to assess the progress of the initiative against original plans.

3.12 The Welsh Government intended that the future proofing initiative would support cultural change, with a shift towards a more inclusive model of leadership and a trial of 'smarter working' practices that gave staff more flexibility in terms of working hours and location, using enhanced technology. There was a switch in emphasis towards people-centred change and the development of behaviours, compared with the organisational and structural changes that had been the focus of activity previously.

3.13 There have also been a range of other strategic workforce initiatives, some looking at specific themes like Welsh language and Brexit. Individual Groups have also carried out some initiatives looking at their own future workforce needs. **Exhibit 12** sets out some examples of the strategic workforce initiatives carried out over recent years, including under the future proofing initiative.

13 The initiative identified four key areas to focus on: aligning ways of working with the Programme for Government and essential/statutory business; supporting and developing leadership; improving learning and development to equip the workforce for now and the future; and creating a robust and developmental approach to performance management.

Exhibit 12: examples of strategic workforce initiatives

Leadership development and talent management

Fast Stream; Future Leaders Scheme; and Senior Leaders Scheme. A range of targeted internal development schemes are available in support of the organisation's objective to be an exemplar in equality, diversity and inclusion.

Talent management: the Welsh Government has developed a programme to provide training and challenging work experience opportunities for staff at SEO and Grade 7 level. Participants were selected in 2019 for a 3-year programme and hold a 'ticket' to secure an interview and compete for promotion.

Policy capability

A new Well-being and Future Generations division has been set up to support Welsh Government staff with the Well-being of Future Generations (Wales) Act 2015 and strengthen policy making capability. All recruitment and promotion exercises for the Senior Civil Service, and many other roles, now require candidates to have knowledge and understanding of the Act in the context of the organisation's work.

The Welsh Government developed a Policy Capability Framework, which includes the knowledge, skills and behaviours that Welsh Government expects of its policy professionals and is supported by a revamped Policy Education Programme that has recently been piloted. The framework has been designed to suit the particular requirements of Wales and is intended as a self-assessment tool, with teams identifying and acting on their own development needs when dealing with policy projects.

Thematic initiatives



The Welsh Government established a 'priority resourcing project' in November 2019 to deliver key resourcing interventions for the Executive Committee. These included focused workforce planning to identify post-Brexit resource requirements, developing a temporary posting policy and delivering a new assessment and development scheme for staff.

The Welsh Government aims to become a bilingual organisation by 2050 in which all its staff can at least understand Welsh. It has a long-term strategy¹⁴ to enable gradual progress towards this goal, starting with a five-year action plan to develop leadership skills, enhance services for Welsh learners, expand the importance of Welsh language skills in recruitment, and introduce new technology that will make it easier to use Welsh in the workplace.

The Welsh Government is developing plans to improve workforce information which currently does not meet the needs of effective workforce planning and management

- 3.14 Accurate and up to date information about the workforce is a key component of effective strategic and operational planning. The Welsh Government captures a range of information on its current workforce. **Exhibit 13** summarises the information provided by the most important systems and how it is reported for operational purposes. This data is drawn from several stand-alone systems that are not integrated and some of which have limited reporting functionality. Additional data is obtained as required from various other sources that are not maintained centrally.

¹⁴ Welsh Government, [Cymraeg. It belongs to us all, Welsh Government strategy on the internal use of the Welsh language](#), September 2020

Exhibit 13: summary of workforce data captured by Welsh Government systems

System	Information provided
<p>Appoint</p> <p>An e-recruitment and applicant tracking system that permits applications in English or Welsh.</p> <p>Applies to internal and external candidates including graduate programmes, internships, apprenticeship schemes and public appointments.</p>	<ul style="list-style-type: none"> • Recruitment activity and appointments, e.g. types of recruitment, number of applicants and appointments • Candidates' personal data, such as equality data (protected characteristics)
<p>Snowdrop</p> <p>The Welsh Government's main database for capturing and reporting staff details</p>	<ul style="list-style-type: none"> • Sickness records: amount and reasons for absence • Staff performance data • Personal details on age, gender, grade, length of service etc • Tracking changes to organisational structures
<p>Payroll services</p> <p>Provided under contract by CGI</p>	<ul style="list-style-type: none"> • Salary and allowances • Statutory deductions and payments
<p>MS CRM</p> <p>(Microsoft Customer Relationship Management)</p>	<ul style="list-style-type: none"> • Captures data via e-forms for people moves, temporary duties allowances and timesheets where applicable • Workplace adjustments
<p>Occupational health systems</p>	<ul style="list-style-type: none"> • Referrals for occupational health support
<p>Employee Assistance Programme provider system</p>	<ul style="list-style-type: none"> • High-level, quarterly management information on referrals
<p>Learning Lab</p>	<ul style="list-style-type: none"> • Learning, development and improvement activity undertaken or booked on Welsh Government's online platform

- 3.15 The ageing HR information system, Snowdrop, does not readily provide management information and went out of service in April 2022¹⁵. Managers are unable to interrogate data in real time and rely on the central HR department to collate it for them.
- 3.16 Some information is still held on paper files – for example, annual leave records – which means that officials cannot readily assess its likely impact on staff availability and the organisation’s financial liabilities. There is no central system for recording potential conflicts of interest. Internal audit reports have drawn attention to weaknesses in information systems for overtime payments and records of continuing professional development for economists. More generally, there is no comprehensive central database of skills and development needs, with varying levels of information held by individuals, teams and professional networks, as well as in an online learning portal known as Learning Lab.
- 3.17 The gaps in data and fragmented information systems make strategic workforce planning more difficult. Much of the data required for the 2019 Baseline Review and subsequent strategic workforce exercises needed to be collated from disparate sources. Key information about the type of work done by individuals (for example, whether they worked in policy, operational delivery or corporate functions) needed to be gathered from senior managers across the organisation as part of a one-off exercise.

15 Out of service means the system will no longer get updates, including security updates, and the developer will no longer provide support should there be any problems with the system. The Welsh Government has developed contingency plans to provide management information offline if the system fails after March 2022.

3.18 The Welsh Government began a project in 2020 to review its HR management information needs and develop plans for improvements. The objectives of the review are to provide a clear service offer for information users, standardise management information, provide clear interpretation, and develop efficient processes that automate reporting and include an ability to interrogate data. This is happening in three stages:

- development of finance and (sickness) case advice dashboards using PowerBI reporting software;
- candidate profiling of employees who go through assessment and development gateways and analysis of their subsequent progression, providing data on equality, diversity and inclusion objectives; and
- the same approach for external recruitment. Also, further improvements to provide automated, standardised reports for the key decision-making boards, and finalising the wider HR management information framework.

3.19 Much of this work has been completed. The Welsh Government has appointed a partner to develop a replacement for the HR information system and will continue to use the legacy system (despite it no longer being supported) until it is ready. It remains to be seen to what extent any new HR system can address the information gaps, particularly around skills and development needs, that have hindered workforce planning and management. The Welsh Government is also exploring the potential for an integrated payroll, finance and grants system to replace the current standalone systems. If successful, these measures could also provide some timely and useful data to support workforce planning.



Appendices

1 Audit approach and methods

1 Audit approach and methods

Workforce planning is a key consideration for all public sector organisations and can play a key role in transforming the way in which services are delivered. If done well, it enables an employer to understand its current and future workforce needs, to identify gaps in skills or numbers, and to take effective action to address those gaps. At a strategic level, it will be important for the Welsh Government to ensure it has the skills and capacity to respond to future demands and capitalise on opportunities such as digital transformation and flexible working practices.

Aware of wider workforce challenges facing the Welsh Government, this high-level review considered whether the Welsh Government has a sound approach to workforce planning. We have reflected on arrangements for operational workforce planning, the emerging approach to strategic workforce planning and the response to current workforce needs.

Our work was restricted to the Welsh Government's core costs and staff, including functions that have their own specific identity, for example the Welsh European Funding Office, Healthcare Inspectorate Wales, Care Inspectorate Wales and Cadw (the Welsh Government's historic environment service). The Welsh Government's Consolidated Accounts include data about staff numbers and costs across other organisations that are consolidated into its accounts, for example NHS bodies.

We engaged initially with Welsh Government officials about this work in late 2019. However, we adjusted our plans because of the ongoing COVID-19 pandemic to allow officials to focus on other priorities. We gathered and reviewed evidence on a staggered basis between October 2020 and March 2022. Annualised data is reported to March 2022 for staff costs and staff numbers, and to March or October 2021 for other metrics. This is the most recent data that we were able to confirm with the Welsh Government at the time of finalising the report. **Exhibit 14** sets out the audit methods we used.

Exhibit 14: audit methods

Document and data review

We reviewed:

- documents relating to the planning and delivery of strategic and operational workforce planning
- meeting papers of relevant committees and working groups, including the Executive Committee, Audit and Risk Assurance Committees and strategic workforce planning groups
- internal audit reports
- Welsh Government accounts and annual reports
- Civil Service People Survey results
- Welsh Government data on staff numbers and Civil Service workforce statistics
- the Welsh Government's Policy Capability Framework and related documents

Interviews

We carried out a range of interviews with staff involved in leading, planning and implementing workforce planning, including central HR staff and the operations directors of individual groups.



Audit Wales

24 Cathedral Road

Cardiff

CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales