

Finance and Resources Committee

10.00am, Thursday 17 March 2016

Managing Workforce Change – Workforce Dashboard

Item number	7.5
Report number	
Executive/routine	
Wards	

Executive summary

The attached Workforce Dashboard provides monitoring information on:

- Voluntary Early Release (VERA) and Voluntary Redundancy (VR) schemes; and
- staffing numbers, sickness absence, vacancies and agency expenditure.

Links

Coalition pledges	P25,26,27,29 & 30
Council outcomes	CO24,25,26 & 27
Single Outcome Agreement	

Managing Workforce Change – Workforce Dashboard

Recommendations

- 1.1 To note progress made to date on managing workforce change across the Council.

Background

- 2.1 The Council faces unprecedented financial challenges over the next twelve months. The total savings target from organisational reviews is £64m, to be achieved by March 2017.
- 2.2 In order to achieve this target the following reduction in staffing levels is proposed:
- management posts 27%;
 - business support posts 26%; and
 - front line posts 15%
- 2.3 At its meeting on 29 October 2015 the Finance and Resources Committee acknowledged the need to reduce the number of staff by encouraging employees to apply for voluntary severance and agreed revised terms for VERA and VR.
- 2.4 It was also agreed that the following categories of staff would not be authorised for VERA at this time:
- employees in posts which are seen as essential for the delivery of services;
 - employees who are identified as having key skills critical to the organisation;
 - school based employees; and
 - employees in posts which are difficult to recruit to.

Main report

- 3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme.
- 3.2 A summary of the findings is detailed overleaf:

- Twelve organisational reviews are currently underway across the Council involving over 3,000 staff;
- Staff accounting for a total of 438 have now left or are confirmed to leave under VERA or VR arrangements. This equates to £15.9m recurring savings;
- VERA offer letters have recently been issued to a further 85.5FTE and assuming that 70% accept, this would equate to savings of a further £2.2m;
- 64 people were recorded as being surplus as at 4 March (a staff cost of £2.8m). However, 43 of those have been redeployed into temporary posts, leaving 21 who are currently not redeployed;
- 336 managers have now participated in the Leading for Change development programme which is designed to help managers to think about and plan how they will lead their teams through the pending organisational reviews;
- 131 employees have accessed support from Career Transition Service during February; and
- 1085 VERA applications have been declined by service areas.

3.3 Appendix 2 provides the most up to date view on data relating to:

- FTE of staff
- Sickness absence trends for staff
- Agency staff expenditure
- Recruitment vacancy profile

Measures of success

4.1 That where possible the Council achieves the necessary staff reductions by voluntary means.

Financial impact

5.1 Annualised cost savings (including national insurance and pensions) of £15.9m have been achieved to date.

Risk, policy, compliance and governance impact

6.1 The VERA and VR releases are essential to ensure that the Council is able to manage and plan the people impact of achieving the planned business change and associated savings.

Equalities impact

7.1 There are no significant equalities impacts arising directly from this report.

Sustainability impact

8.1 There is no sustainability impact of this report.

Consultation and engagement

9.1 Consultation and engagement with key stakeholders, including senior management teams, Trade Unions and elected members is ongoing.

Background reading/external references

[Managing Workforce Change report to F&R Committee 29 October 2015.](#)

[Managing Workforce Change – Workforce Dashboard to F&R Committee 2 February 2016](#)

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Links

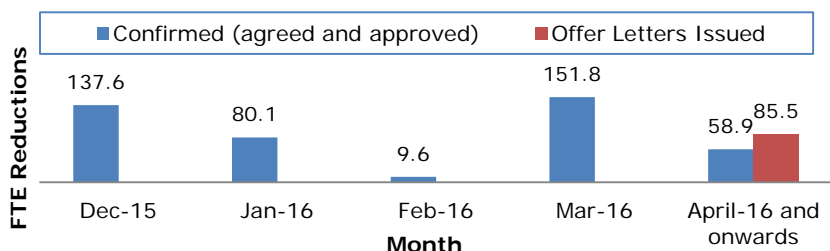
Coalition pledges	P25: Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development P26: Establish a policy of no compulsory redundancies, P27: Seek to work in full partnership with Council staff and their representatives P29: Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work P30: Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO24, CO25, CO26, CO27
Single Outcome Agreement	
Appendices	Appendix 1 – Workforce Dashboard - Transformation Programme Summary Appendix 2 – Workforce Dashboard – Workforce Metrics

Organisational review summary

Three organisational reviews are now complete and have delivered targeted savings of £1.757m. Twelve reviews are currently underway involving 3,346 people.

The Communications, HR and ICT reviews are now complete. Each review has met the approved savings targets.

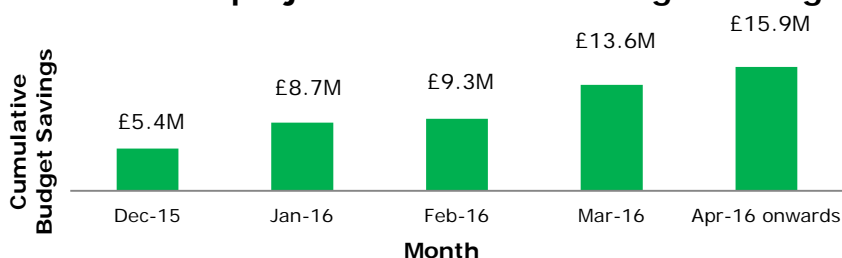
VERA/VR leaver reductions (FTE)



Staff accounting for a total of 438.0 FTE have left/are confirmed to leave the Council under VERA and VR arrangements.

VERA offer letters have been issued to a further 85.5 FTE and assuming that 70% accept, this would equate to further savings of £2.2m p.a.

Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 438.0 FTE reductions from VERA and VR will achieve recurring savings of £15.9M.

The one off VR/VERA and pension strain cost for those cases is £18.7m and the overall payback period is 14.1 months, which is in line with planning assumptions.

Reasons for declining VERA

	Number
Person has skills critical to the organisation / the post cannot be deleted as it is essential for service delivery / the post is difficult to recruit to	985
The post is in a school.	38
Other. eg. reduction managed through deletion of vacancies.	62
Total	1085

90% of VERA declines are due to the post or applicant skills being critical to service delivery.

Employee support / Career Transition Service

	Nov 2015	Dec 2015	Jan 2016	Feb 2016
No. People in Review	194	194	456	3,346
No. of 1:1s in Month	38	30	12	41
No. who have accessed out placement provider	136	38	25	90

131 of the 3,346 people under review in February have accessed support from the Career Transition Service / out placement provider.

Customer feedback indicates high levels of satisfaction with the Career Transition Service.

366 managers have attended the Leading for Change training course and 39 staff have attended interview skills training.

Redeployed – number of people and cost

	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Jan 2016	Feb 2016
Number of positions	57	58	59	54	50	64
Salary cost	£2.0M	£2.1M	£2.1M	£1.9M	£1.6M	£2.8M
Surplus – not currently redeployed	25	17	16	10	8	21
Temporarily redeployed less than 6 months	1	2	4	4	2	1
Temporarily redeployed more than 6 months	31	39	39	40	40	42

64 people are now recorded as being surplus. This represents a total staff cost of £2.8 million.

This represents an increase of 1 person since the last dashboard.

WORKFORCE DASHBOARD – WORKFORCE METRICS

Staff numbers

Staff numbers, Full time equivalents

Apr-13	15,270
Apr-14	15,347
Apr-15	15,564
Jan-16	15,095

As at end January 2016, a total of 15,095 full time equivalent staff were employed by the Council. This represents a drop of 469 FTEs in the period since April 2015 and is the lowest FTE count recorded since December 2012.

Sickness absence

Sickness absence rate
(12 month rolling average)

Apr-12	4.57%
Apr-13	4.50%
Apr-14	4.51%
Apr-15	4.99%
Jan-16	4.86%

Council wide rate during 2015 was 4.9% (compared with 4.8% in 2014) against a target of 4%. The number of days lost in 2015 was 162,967 in 2015 compared with 160,104 in 2014.

As at January 2015, there were 127 cases of absence 3-12 months & 12 cases greater than 12 months. The steps in place to support staff & manage attendance include: Return to work interviews; Employee Assistance Programme (receiving a total of 394 calls received in 2015); Occupational Health (with 2746 referrals in 2015); Managing Attendance policy; forms part of training for Managers.

Additionally, recognising that Organisational change leads to increases in absence, we undertake stress risk assessments as part of Organisation Reviews & deliver Leading through Change courses.

Agency expenditure

Staff - Full time equivalents

Jan-15	£1,207,867
Apr-15	£875,415
Jan-16	£928,407

The most up to date consistent trend data on Agency expenditure covers the period January 2015 to January 2016*. Data recorded here refer to agency expenditure recruited through Adecco, the Council's contracted provider of temporary agency workers.

A total of £928,407 of agency staff expenditure was recorded in January 2016. This was 23% lower than that recorded for the same month last year.

A full review of Agency Staff is underway as part of our Commercial Excellence Programme.

*Adecco spend which is our preferred/main supplier

Vacancies

Service Area	No	Role	Notes
Children & Families	14	Teacher posts (9) Early years (2) Pupil support (3)	All replacement roles split between temporary & permanent
Health & Social Care	6	Admin/Business Assistant (2) Projects/contracts (3) Occupational therapist (1)	All internal only adverts except Occupational Therapist.
Services for Communities	3	Facilities (1) Cleaners (2)	All external adverts

As at 6th March we have 23 live vacancies.

Any vacancies which could be suitable for redeployment opportunities will only be advertised internally.