

10.00am, Thursday, 12 May 2016

Managing Workforce Change – Workforce Dashboard

Item number 7.2

Report number
Executive/routine
Wards

Executive summary

The attached Workforce Dashboard provides monitoring information on:

- the number of employees exiting the organisation through Voluntary Early Release (VERA) and Voluntary Redundancy (VR);
- the associated annualised cost savings;
- the number of surplus staff and associated costs;
- the number of managers who have participated in the Leading for Change Transformation development programme; and
- the number of VERA applications declined and the reasons for decline.

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.

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 provides indicators to monitor change through the Council Transformation programme.
- 3.2 A summary of the findings is detailed overleaf:
- 5 Organisational reviews have concluded and 17 are currently underway with 4,618 employees in review as at 29 April 2016;

- Employees totalling 537.3 FTE have exited the organisation through VERA or VR since December 2015 as part of either organisational reviews or business as usual releases. This equates to £20.0m annualised cost savings;
- The two council wide VERA trawls have concluded;
- 48 employees were recorded as being surplus as at April 2016 at a cost of £2.1m;
- 625 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;
- The Career Transition Service has supported 303 one to one meetings with individuals to discuss their needs and 436 people have taken advantage of the services offered by our out placement provider;

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 £20.0m 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.](#)

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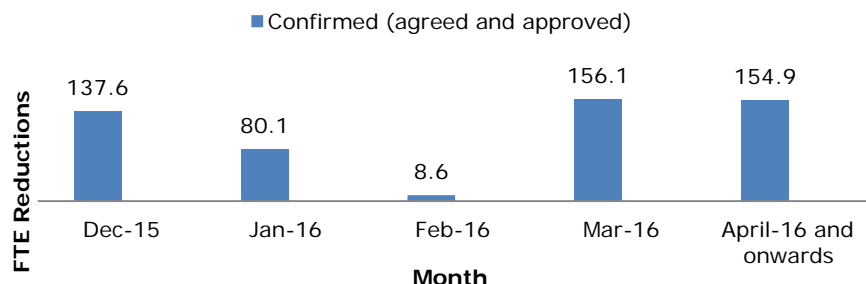
Links

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

Organisational review summary

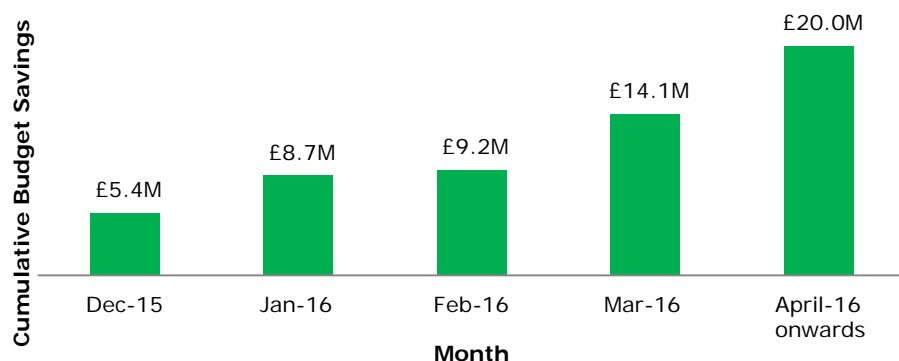
4,618 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

VERA/VR leaver reductions (FTE)



Staff accounting for a total of 537.3 FTE have left the Council under VERA and VR arrangements.

Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 537.3FTE reductions from VERA and VR will achieve recurring savings of £20.0M.

The one off VR/VERA and pension strain cost for those cases is £22.6m and the overall payback period is 13.6 months, which is in line with planning assumptions.

Employee support / Career Transition Service

	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016
Number of people in review	263	263	510	3383	4294	4618

To Date:

- Number of 1 to 1's – 303
- Number of online registrations for Right Everywhere access – 436
- Number of people attended Interview Skills Training – 331
- Number of people attended Leading Through Change – 625

Communication through line managers and the trade unions have continued to encourage employees to take advantage of this service.

Redeployed – number of people and cost

	Nov 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016
Number of people on register	54	50	64	59	48
Annual salary cost	£1.9M	£1.6M	£2.8M	£2.6M	£2.1M
Surplus – not currently redeployed	10	8	21	17	11
Temporarily redeployed less than 6 months	4	2	1	2	2
Temporarily redeployed more than 6 months	40	40	42	40	35

48 people are now recorded as being surplus, representing an annual salary cost of £2.1 million.

This represents a decrease of 2 people since the last dashboard, both of whom left the Council under VERA/VR.

Those not currently redeployed represent annual salary costs of £0.4m

Workforce Dashboard Summary

The information presented within this paper reflects the latest available information from the monthly Workforce dashboard. The next update will be available week commencing 16 May 2016.

Staff Numbers

	FTE	Headcount
Apr 14	15,347	19,086
Apr 15	15,564	19,668
Mar 16	14,944	18,705

As at end March 2016, a total of 14,944 full time equivalent staff were employed by the Council.

This represents a drop of 620 FTEs in the period since April 2015.

Sickness absence

	12 month rolling average
Apr 12	4.57%
Apr 13	4.50%
Apr 14	4.51%
Apr 15	4.99%
March 16	4.88%

A total of 4.88% of working days in the 12 months to March 2016 were lost to sickness absence.

This represents a drop of 0.1% in the period since April 2015, but remains high in comparison to previous years.

Agency expenditure

	Adecco Agency Expenditure
Jan 15	£1.21M
Apr 15	£875.4K
Jan 16	£928.4K
Feb 16	£997.2K
March 16	£988.1K

Agency expenditure covers the period January 2015 to March 2016. The increases in January & February represent temporary staff in Customer Services & Place, both of which will see a decrease on completion of organisation reviews.

Data recorded here refer to agency expenditure recruited through Adecco, the Council's contracted provider of temporary agency workers.

A total of £988,091 of agency staff expenditure was recorded in March 2016.

Vacancies

	Number of roles	Type
Resources/CEO Office	4	Change and Portfolio
Communities and Families	18	Teachers Early Years Officers Pupil Support
Health and Social Care	4	Social Care Workers/Assistants
Place	4	Library Cleaners

As at 24th April we have 30 live vacancies.

6th April CLT agreed all vacancies would only be advertised internally (for permanent FTC) expect in predefined categories. This was communicated and live from 25th April