

Finance and Resources Committee

10.00am, Thursday 9 June 2016

Managing Workforce Change – Workforce Dashboard

Item number	7.3
Report number	
Executive/routine	
Wards	

Executive summary

The attached Workforce Dashboard provides monitoring information on:

- the number of employees exiting the organisation through voluntary severance arrangements;
- the associated annualised cost savings;
- the number of staff accessing support / Career Transition Service;
- the number of surplus staff and associated costs; and
- a summary of the latest available information on Council wide staffing numbers, sickness absence, agency expenditure and vacancies.

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.

Main report

- 3.1 The attached dashboard provides indicators to monitor change through the Council Transformation programme
- 3.2 In summary the findings detail:
- Fourteen organisational reviews are currently underway across the Council involving over 4,500 staff.
 - People totalling 554.9fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £20.8m annualised cost savings.
 - 71 people were recorded as being surplus at 27 May 2016 representing an annual salary cost of £3.1m. However, 38 of these people have been redeployed into temporary posts, leaving 33 who are currently not redeployed;
 - The Career Transition Service has supported a total of 347 one to one meetings with individuals to discuss their needs, 445 people have now

- undertaken interview skills training and 499 people have taken advantage of the services provided by our out placement provider; and
- 655 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.
- 3.3 The latest available information on Council wide staffing numbers, sickness absence, agency expenditure and vacancies is as reported at 29th April 2016. An update will be reported to the next Finance and Resources Committee in August 2016.

Measures of success

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

Financial impact

- 5.1 The confirmed reductions from voluntary severance arrangements will achieve recurring annualised cost savings (including national insurance and pensions) of £20.8m.

Risk, policy, compliance and governance impact

- 6.1 The voluntary severance 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.](#)

Hugh Dunn

Acting Executive Director of Resources

Contact: Katy Miller, Head of HR

E-mail: katy.miller@edinburgh.gov.uk | Tel: 0131 469 5522

Links

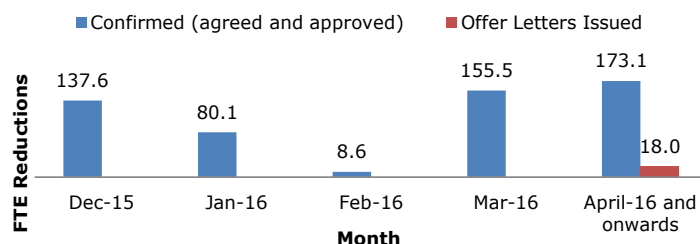
Coalition pledges	P25: Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development P26: Establish a policy of no compulsory redundancies, P27: Seek to work in full partnership with Council staff and 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

VERA/VR Dashboard – Transformation Programme Summary – 27 May 2016

Organisational review summary

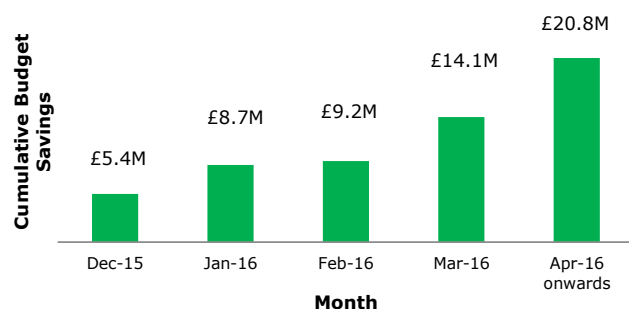
4,582 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

VERA/VR leaver reductions (FTE)



People accounting for a total of 554.9FTE are confirmed as leaving the Council under VERA and VR arrangements.

Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 554.9FTE reductions from VERA and VR will achieve recurring savings of £20.8M.

The one off VR/VERA and pension strain cost for those cases is £24m and the overall payback period is 13.8 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	May 2016
Number of people in review	263	263	510	3383	4294	4406	4582

There continues to be a steady uptake of support through the Career Transition Service as organisational reviews progress

Support	No. to date
1:1's	347
Attended interview skills training	445
Attended Leading Through Change training	655
Requested access to online registration for Right Everywhere access	499

Attendance at Leading Through Change training is being further encouraged through Orb and line manager communications.

Redeployment – number of people and cost

	Nov 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016
Number of people on register	54	50	64	59	48	71
Annual salary cost	£1.9M	£1.6M	£2.8M	£2.6M	£2.1M	£3.1M
Surplus – not currently redeployed	10	8	21	17	11	33
Temporarily redeployed less than 6 months	4	2	1	2	2	5
Temporarily redeployed more than 6 months	40	40	42	40	35	33

71 people are now recorded as being surplus, representing an annual salary cost of £3.1 million.

This represents a total increase of 16 people since the last dashboard.

Those not currently redeployed represent annual salary costs of £1.4M

Workforce Dashboard – Summary – 29 April 2016

Workforce Dashboard Summary

The information presented within this paper reflects the latest available information from the monthly Workforce dashboard. An update will be provided in the dashboard dated 10 June 2016

Staff Numbers

	FTE	Headcount
Apr 14	15,347	19,086
Apr 15	15,564	19,668
March 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 increase in January and February represent temporary staff in Customer Services & Place, both of which will see a decrease on completion of organisational 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) except in predefined categories. This was communicated and live from 25th April.