

Finance and Resources Committee

2.00pm, Thursday 18 August 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 Voluntary Early Release Arrangements (VERA) and Voluntary Redundancy (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:
- Eleven organisational reviews are currently underway across the Council involving over 3661 staff.
 - People totalling 653.2fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £24.1m annualised cost savings.
 - 89 people were recorded as being surplus at 5 August 2016 representing an annual salary cost of £3.89m. However, 24 of these people have been redeployed into temporary posts, 17 have a future VR leaving date leaving 48 who are currently not redeployed.

- Of the 24 in temporary posts, 9 are being re-trained as social workers, 5 are in externally funded posts as Active Schools Co-ordinators until 2019 and 10 have posts with the Council.
- The Career Transition Service has supported a total of 435 one to one meetings with individuals to discuss their needs, 581 people have now undertaken interview skills training and 589 people have taken advantage of the services provided by our out placement provider.
- 685 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 May 2016. An update will be reported to the next Finance and Resources Committee on 29 September 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 £24.1m.

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 – workforce dashboard – Report to Finance and Resources, 30 June 2016](#)

[Managing workforce change – workforce dashboard – Report to Finance and Resources, 12 May 2016](#)

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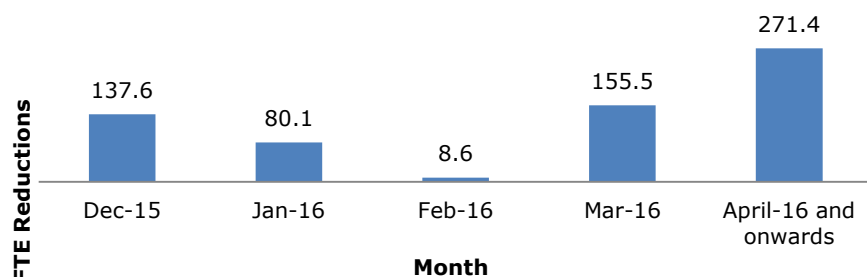
Links

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

Organisational review summary

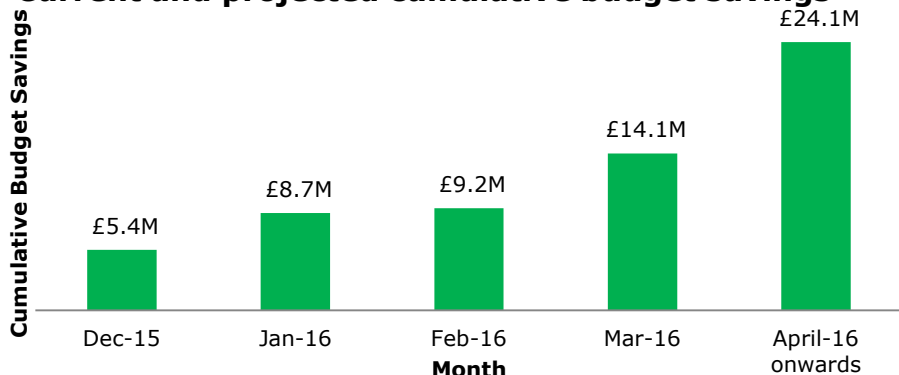
3,661 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

VERA/VR leaver reductions (FTE)



People accounting for a total of **653.2 FTE** 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 **653.17 FTE** reductions from VERA and VR will achieve recurring savings of **£24.1m**

The one off VR/VERA and pension strain cost for those cases is £28.6m and the overall payback period is 14.2 months, which is in line with planning assumptions.

Employee support / Career Transition Service

	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	August 2016
Number of people in review	4294	4406	4641	3681	3661	3661

Support	No to date
1:1's	435
Attended interview skills training	581
Attended Leading Through Change training	685
Requested access to online registration for Right Everywhere access	589

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

Redeployment – number of people and cost

	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	August 2016
Number of people on register	59	48	71	63	89	89
Annual salary cost	£2.6M	£2.1M	£3.1M	£2.9M	£3.8M	£3.89M
Surplus – not currently redeployed	17	11	33	28	55	48
Temporarily redeployed into a funded post	42	37	38	35	23	24
Accepted VR with future leaving date					11	17

89 people are now recorded as being surplus, representing an annual salary cost of **£3.89m**.

Those not currently redeployed into a temporary funded position represent annual salary costs of **£2.1m**. This represents a **£0.7m decrease** since the last dashboard.

Out of the 24 in funded posts, 9 people are Social Work Trainees and 5 are in externally funded posts until 2019.

Workforce Dashboard Summary

The information presented within this paper reflects the latest available information from the monthly Workforce dashboard. Information for June 2016 will be provided in the next dashboard.

Staff Numbers

	FTE	Headcount
Apr 15	15,564	19,668
May 15	15,537	19,190
March 16	14,944	18,705
April 16	14,883	18,648
May 16	14,765	18,577

As at end May 2016, a total of 14,765 full time equivalent staff were employed by the Council.

This represents a drop of 772 FTEs in the period since May 2015.

Sickness absence

	12 month rolling average
Apr 14	4.51%
Apr 15	4.99%
May 15	5.01%
March 16	4.88%
April 16	4.93%
May 16	4.98%

A total of 4.98% of working days in the 12 months to May 2016 were lost to sickness absence.

This represents a slight drop in the period since May 2015, but remains high in comparison to previous years.

Agency expenditure

	Adecco Agency Expenditure
Apr 15	£875.4K
May 15	£1.13M
Jan 16	£928.4K
Feb 16	£997.2K
March 16	£988.1K
April 16	£816.9K
May 16	£1.04M

Agency expenditure covers the period April 2015 to May 2016.

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

A total of £1.04m of agency staff expenditure was recorded in May 2016, a decrease from May 2015 but higher than recent months. The majority of spend is with Customer and Place and a council-wide review is currently underway.

Vacancies

Number of roles	Contract Type
13	Fixed term
68	Permanent

As at 5 August 2016 we have 81 live vacancies. This increase is due to teacher recruitment and recently released vacancies at the conclusion of organisational reviews.