

# Finance and Resources Committee

10.00am, Thursday, 29 September 2016

## Managing Workforce Change – Workforce Dashboard

Item number	7.4
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	<a href="#">P25</a> , <a href="#">P26</a> , <a href="#">P27</a> , <a href="#">P29</a> & <a href="#">P30</a>
Council outcomes	<a href="#">CO24</a> , <a href="#">CO25</a> , <a href="#">CO26</a> & <a href="#">CO27</a>
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 (Appendix 1) provides indicators to monitor change through the Council Transformation programme. As at 16 September 2016 four organisational reviews were currently underway across the Council involving 661 staff. Since then, the Health and Social Care Phase 2 review has commenced taking this figure to 2964 Council staff. An extract from the Transformation Programme Tracker summarising reviews and their status is attached as Appendix 2.
- 3.2 In summary the findings detail:
- People totalling 696.8fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £26m annualised cost savings.

- 105 people were recorded as being surplus at 16 September 2016 representing an annual salary cost of £4.25m. However, 23 of these people have been redeployed into temporary posts, 31 have a future VR leaving date leaving 51 who are currently not redeployed into a funded post.
- Of the 23 in temporary posts, nine are being re-trained as social workers, five are in externally funded posts as Active Schools Co-ordinators until 2019 and nine have posts with the Council.
- The Career Transition Service has supported a total of 987 staff. This includes 481 one to one meetings with individuals to discuss their needs, 612 who have undertaken interview skills training and 595 people who have taken advantage of the services provided by our out placement provider.

3.3 The latest available information on Council wide staffing numbers, sickness absence, agency expenditure and vacancies is as reported at July 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 £26m.

## 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](#)

### Hugh Dunn

Acting Executive Director of Resources

Contact: Katy Miller, Head of HR

E-mail: [katy.miller@edinburgh.gov.uk](mailto:katy.miller@edinburgh.gov.uk) | Tel: 0131 469 5522

## Links

---

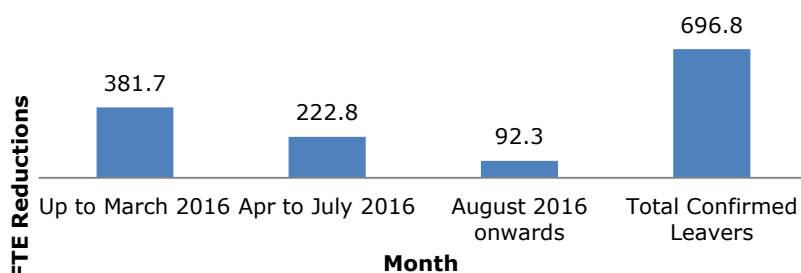
<b>Coalition pledges</b>	<p>P25 - Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development</p> <p>P26 - Establish a policy of no compulsory redundancies,</p> <p>P27 - Seek to work in full partnership with Council staff and their representatives</p> <p>P29 - Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work</p> <p>P30 - Continue to maintain a sound financial position including long-term financial planning</p>
<b>Council outcomes</b>	<p>CO24 - The Council communicates effectively internally and externally and has an excellent reputation for customer care</p> <p>CO25 – The Council has efficient and effective services that deliver on objectives</p> <p>CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives</p> <p>CO27 – The Council supports, invests in and develops our people</p>
<b>Single Outcome Agreement</b>	
<b>Appendices</b>	Appendix 1 – Workforce Dashboard - Transformation Programme Summary

Appendix 2 – Extract from Transformation Programme  
Organisational Reviews Tracker

## Organisational review summary

661 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future. Together with other management actions taken (e.g. non backfill of vacancies) we are on-track to deliver the savings projected at this time (£28.4m )

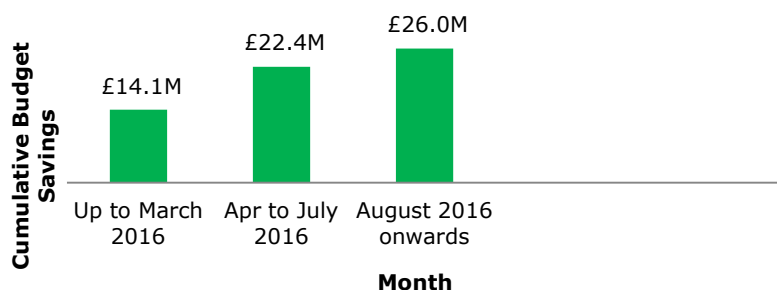
## VERA/VR leaver reductions (FTE)



People accounting for a total of 696.8 FTE are confirmed as leaving the Council under VERA and VR arrangements.

There are no changes since the previous dashboard.

## Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 696.8 FTE reductions from VERA and VR will achieve recurring savings of £26M.

There are no changes since the previous dashboard.

The one off VR/VERA and pension strain cost for those cases is £30.2m and the overall payback period is 14 months, which is in line with planning assumptions.

## Employee support / Career Transition Service

	Apr 2016	May 2016	June 2016	July 2016	August 2016	Sept 2016
Number of people in review	4406	4641	3681	3661	3661	541

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

We continue to encourage all staff on redeployment to engage with CTS for support.

Support	No to date
No of staff accessed CTS	987
1:1's	481
Attended interview skills training	612
Requested access to online registration for Right Everywhere access	595

## Redeployment – number of people and cost

	Apr 2016	May 2016	June 2016	July 2016	August 2016	September 2016
Number of people on register	48	71	63	89	100	105
Annual salary cost	£2.1M	£3.1M	£2.9M	£3.8M	£3.97m	£4.25m
Monthly Salary Cost						£354,255
Monthly Salary Cost (excluding those in funded posts)						£317,285
Monthly Salary Cost for those on register for over 3 months						£85,115
Surplus – not currently redeployed	11	33	28	55	55	51
Temporarily redeployed into a funded post	37	38	35	23	22	23
Accepted VR with future leaving date				11	23	31

105 staff are now recorded as being surplus, representing an annual salary cost of £4.25m

Those not currently redeployed into a position (51) represent annual salary costs of £2.1m. This represents an increase of £0.4m since the last dashboard.

Out of the 23 in funded posts, 9 people are Social Work Trainees and 5 are in externally funded posts until 2019.

See Appendix One for further analysis.

## Workforce Dashboard Summary

The information presented within this paper reflects the latest available information from the monthly Workforce dashboard.

### Staff Numbers

	FTE	Headcount
May 15	15,537	19,190
June 15	15,330	19,249
April 16	14,883	18,648
May 16	14,765	18,577
June 16	14,582	18,454
July 16	14,334	18,152

As at end July 2016, a total of 14,334 full time equivalent staff were employed by the Council. This figure includes 13,555 permanent fte.

This represents a drop in FTE of 1203 in the period from May 2015 to July 2016.

### Sickness absence

	12 month rolling average
May 15	5.01%
June 15	5.07%
March 16	4.88%
April 16	4.93%
May 16	4.98%
June 16	5.08%
July 16	5.12%

A total of 5.12% of working days in the 12 months to July 2016 were lost to sickness absence.

This figure continues to rise against the backdrop of transformational change.

A briefing paper has been prepared and will be circulated week commencing 19<sup>th</sup> September.

### Agency expenditure

	Adecco Agency Expenditure
May 15	£1.13M
June 15	£900.5K
Jan 16	£928.4K
Feb 16	£997.2K
March 16	£988.1K
April 16	£816.9K
May 16	£1.04M
June 16	£1.06M
July 2016	£877.2K

Agency expenditure covers the period May 2015 to July 2016.

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

A total of £877.2k of agency staff expenditure was recorded in July 2016, a significant decrease from May and June 2016 figures.

The majority of spend is with Customer and Place and we expect these numbers to reduce as and when the reviews are complete.

### Vacancies

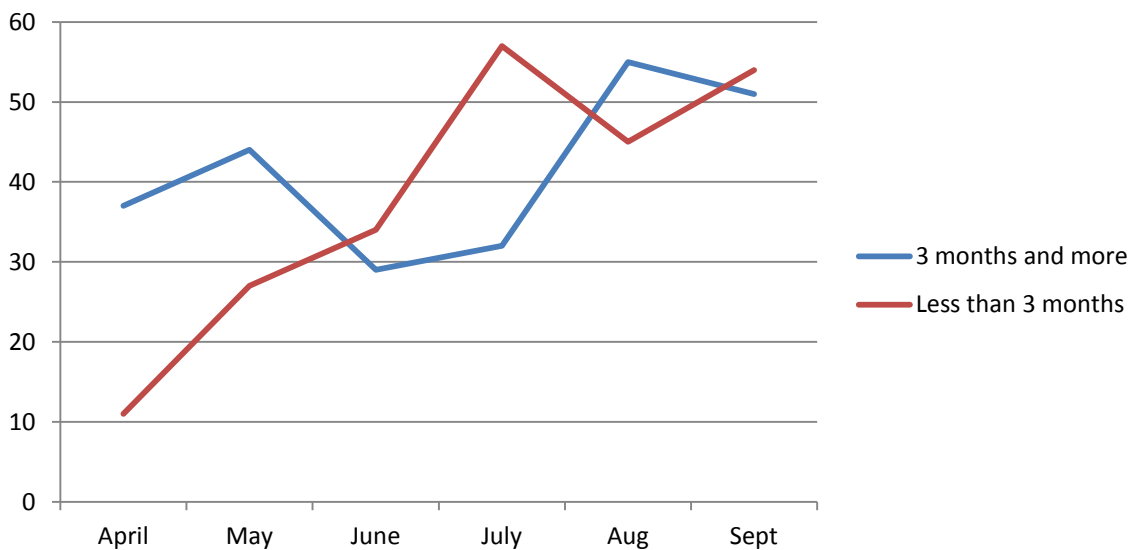
Number of roles	Contract Type
40	Fixed term
68	Permanent

As at 16 September 2016 we have 108 live vacancies.

## Appendix One - Workforce Dashboard – Summary – 16 September 2016

The graph below provides details of staff on redeployment for less than, or more than, three months.

	April	May	June	July	Aug	Sept
3 months and more	37 (77.3%)	44 (61.4%)	29 (46.8%)	32 (35.4%)	55 (55.2%)	51 (48.6%)
Less than 3 months	11 (22.7%)	27 (38.6%)	34 (53.2%)	57 (64.6%)	45 (44.8%)	54 (51.4%)
<b>Total Cases</b>	<b>48</b>	<b>71</b>	<b>63</b>	<b>89</b>	<b>100</b>	<b>105</b>





## Extract from Transformation Programme Organisational Reviews Tracker

### September 2016

#### Reviews implemented

Organisational Review	Implementation Date	Numbers of staff in scope		Organisational Review	Implementation Date	Numbers of staff in scope
Tier 3 - Safer & Stronger Communities added 25/11 (excluding Property, H&SC)	01/02/16	62		Environment	30/09/16	1149
Communications	18/02/16	32		Housing and Regulatory Services	30/08/16	662
ICT	01/02/16	89		Safer & Stronger Communities: Criminal Justice (renamed from Community Safety)	30/05/16	26
Human Resources	18/02/16	72		Safer & Stronger Communities: Family Household Support	18/07/16	114
Business Support: Executive Support	02/05/16	60		Safer & Stronger Communities: Homelessness & Housing Support	18/07/16	132
City Strategy & Economy (with Culture)	02/05/16	143		Corporate Property (AMS) - Phase 1 - Tiers 3 and 4	30/06/16	17
Strategy & Insight	09/05/16	55		Customer Contact - Phase 1	30/05/16	178
Transformation and Business Change	09/05/16	25		Legal Services	04/07/16	30
Transport & Planning	01/08/16	625		Commercial and Procurement	11/07/16	61
Communities and Families Operations	01/06/16	24		Risk, Audit & Resilience (Health & Safety)	04/07/16	14
Schools & Lifelong Learning*- Early Years and Management	04/07/16	18		Children's Services* - Management	16/05/16	160

Appendix 2

Organisational Review	Implementation Date	Numbers of staff in scope		Organisational Review	Implementation Date	Numbers of staff in scope
Transactions - Phase 1	29/09/16	375		Finance	22/08/16	93
Business Support (Schools) 2016/17	Finance confirmed that the reduction was applied to the business support allocations and each school has received a budget statement to this effect.					

Reviews in progress

Organisational Review	Implementation Date	Numbers of staff in scope		Organisational Review	Implementation Date	Numbers of staff in scope
Business Support Shared & Locality Services	Implementation on 3 October 2016.	521		Schools & Lifelong Learning*- Outdoor Education Centres	In progress with targeted implementation date of 3 October 2016.	20
Democratic Services (incl Governance and Members Services, excl Lord Provost Office)	In progress with targeted implementation date of 28 /11/16.	55		Corporate Property (AMS) - Tier 5 and below	In progress – targeted implementation date of 24 October 2016.	65

**Appendix 2**

Health and Social Care (Phases 1 & 2)	In consultation period – 45 days	<p>Phase 1 – 27 12 NHS 15 CEC</p> <p>Phase 2 – <b>2871</b> 583 NHS 2288 CEC</p>				
---------------------------------------	----------------------------------	---	--	--	--	--

**Reviews yet to commence**

<b>Organisational Review</b>	<b>Status</b>	<b>Numbers of staff in scope</b>		<b>Organisational Review</b>	<b>Status</b>	<b>Numbers of staff in scope</b>
Corporate Property - FM Staff	Yet to commence – targeted start date of November 2016 for beginning of formal consultation.	1700 (tbc)		Children’s Services - Support to Special Schools	Proposed method of achieving savings being considered	TBC
Environment: Customer Operations (Customer Contact: Passenger Operations)	To be reviewed as part of business as usual.			Safer and Stronger Communities - Advice Services/Family Solutions	Consultation starts in October 2016	TBC
Schools & Lifelong Learning Organisational Review (Redesign of Library Service) (Library Services separate line on Finance tracker)	In design phase – structure and job descriptions.	367		Safer & Stronger Communities - CCTV	Separate proposal to achieve savings being considered	

**Appendix 2**

<b>Organisational Review</b>	<b>Status</b>	<b>Numbers of staff in scope</b>		<b>Organisational Review</b>	<b>Status</b>	<b>Numbers of staff in scope</b>
Instrumental Music Service (Redesign of Music Instructor Service)	No longer being progressed	N/A		Customer Contact - Phase 2 (Overarching)	Business Case approved – 22 initiatives	
Edinburgh Leisure and Sports Services	Alternative savings identified	N/A		Transactions - Phase 2 (Overarching)	Business Case approved – 22 initiatives	
Customer Contact - Ph2 - CC1 High St, Locality Offices Review including revamped kiosks	Business Case approved – 22 initiatives			Transactions Ph 2 - T1 Automation of the bulk lists (Council Housing, housing associations, private landlords)	Business Case approved – 22 initiatives	
Customer Contact - Ph 2 - CC2 Strategy & Improvements	Business Case approved – 22 initiatives			Transactions Ph2 - T2 Paperless notification for benefit/council tax/NDR	Business Case approved – 22 initiatives	
Customer Contact - PH2 -CC3 Review of Interpretation and Translation Services	Business Case approved – 22 initiatives			Transactions Ph2 - T3 Combined benefits assessment	Business Case approved – 22 initiatives	
Customer Contact - PH2 -CC4 HR & Payroll Service Centre (Full Review)	Business Case approved – 22 initiatives			Transactions Ph2 - T4 More efficiency of doc.capture and validation	Business Case approved – 22 initiatives	
Business Support Shared & Locality Services - Ph2 (Overarching)	Business Case approved – 22 initiatives			Transactions Ph2 - T5 Automate all word document/pdf forms into online forms	Business Case approved – 22 initiatives	

Appendix 2

Organisational Review	Status	Numbers of staff in scope		Organisational Review	Status	Numbers of staff in scope
Business Support Shared & Locality Services - Ph2 BS1 Refining Business Operating Model	Business Case approved – 22 initiatives			Transactions Ph2 - T6 Council tax discount rolling review	Business Case approved – 22 initiatives	
Business Support Shared & Locality Services - Ph2 - BS2 Flexi System and Time Reporting	Business Case approved – 22 initiatives			Transactions Ph2 - T7 Single view of customer debt	Business Case approved – 22 initiatives	
Business Support Shared & Locality Services - Ph2 - BS3 Voice Recognition	Business Case approved – 22 initiatives			Transactions Ph2 - T8 Civica system review and optimisation	Business Case approved – 22 initiatives	
Business Support Shared & Locality Services - Ph2 - BS4 Equipment ordering for foster carers and joint stores	Business Case approved – 22 initiatives			Transactions Ph2 - T9 Parking revenue generation	Business Case approved – 22 initiatives	
Business Support Shared & Locality Services - Ph2 - BS5 Print Service Review	Business Case approved – 22 initiatives			Business Support (Schools) 2017/18	Decision to be taken re 2017/18 savings and how they will be achieved	
Business Support Shared & Locality Services - Ph2 - BS 6 Review complaints/VIP mail process	Business Case approved – 22 initiatives			ICT - Phase 2	Consultation start date in October 2016	
Business Support Shared & Locality Services - Ph2 - BS7 Automated Travel Booking System	Business Case approved – 22 initiatives			Business Support Shared & Locality Services - Ph2 - BS8 Electronic Document Storage (SharePoint)	Business Case approved – 22 initiatives	