

# Finance and Resources Committee

10.00am, Thursday 3 November 2016

## Managing Workforce Change – Workforce Dashboard

Item number 7.1  
Report number  
Executive/routine  
Wards

### Executive summary

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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.

This information is based on the Workforce Dashboard dated 14 October 2016

### Links

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Coalition pledges [P25](#), [P26](#), [P27](#), [P29](#) & [P30](#)  
Council outcomes [CO24](#), [CO25](#), [CO26](#) & [CO27](#)  
Single Outcome Agreement

## Managing Workforce Change – Workforce Dashboard

### 1. Recommendations

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- 1.1 To note progress made to date.

### 2. Background

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- 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).

### 3. Main report

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- 3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme. As at 14 October 2016, four organisational reviews were currently underway across the Council involving 2838 staff.
- 3.2 In summary the findings detail:
- People totalling 768.2fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £29m annualised cost savings;
  - 103 people were recorded as being surplus at 14 October 2016 representing an annual salary cost of £3.97m. However, 25 of these people have been redeployed into temporary posts, 26 have a future VR leaving date leaving 52 who are currently not redeployed into a funded post;

- Of the 25 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 11 have posts with the Council; and
  - The Career Transition Service has supported a total of 1058 staff. This includes 535 one to one meetings with individuals to discuss their needs, 662 who have undertaken interview skills training and 604 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 and agency expenditure is as reported at August 2016.

## **4. Measures of success**

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

## **5. Financial impact**

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- 5.1 The confirmed reductions from voluntary severance arrangements will achieve recurring annualised cost savings (including national insurance and pensions) of £29m.

## **6. Risk, policy, compliance and governance impact**

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- 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.

## **7. Equalities impact**

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

## **8. Sustainability impact**

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- 8.1 There is no sustainability impact of this report.

## **9. Consultation and engagement**

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

## 10. Background reading/external references

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[Managing workforce change – workforce dashboard – Report to Finance and Resources, 8 September 2016](#)

[Managing workforce change – workforce dashboard – Report to Finance and Resources, 29 September 2016](#)

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### Links

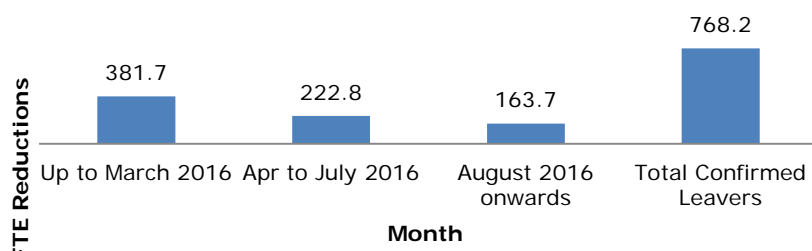
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<b>Coalition pledges</b>	<p>P2 - Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development</p> <p>P26 - Establish a policy of no compulsory redundancies,</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>	<p>Appendix 1 – Workforce Dashboard - Transformation Programme Summary</p>

## Organisational review summary

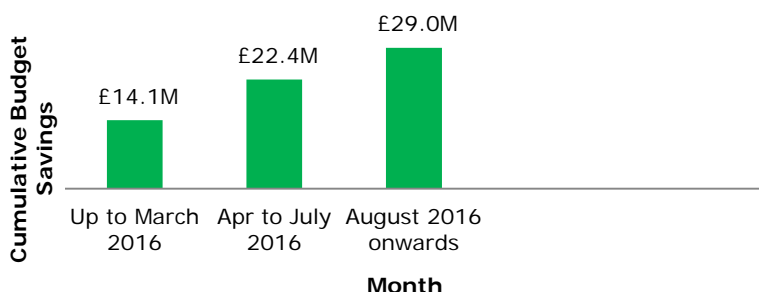
2838 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

## VERA/VR leaver reductions (FTE)



People accounting for a total of **768.2 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 **768.2 FTE** reductions from VERA and VR will achieve recurring savings of £29M.

The one off VR/VERA and pension strain cost for those cases is £33.7m and the overall payback period is 13.9 months, which is in line with planning assumptions.

## Employee support / Career Transition Service

	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016
Number of people in review	4641	3681	3661	3661	2288	2838

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

Support	No to date
No of staff accessed CTS	1058
1:1's	535
Attended interview skills training	662
Requested access to online registration for Right Everywhere access	604

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

## Redeployment – number of people and cost

	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016
Number of people on register	71	63	89	100	111	103
Annual salary cost	£3.1M	£2.9M	£3.8M	3.97m	4.45m	£3.97m
Monthly Salary Cost						£331,183
Monthly Salary Cost (excluding those in funded posts)						£255,868
Monthly Salary Cost for those on register for over 3 months (not currently redeployed)						£78,726
Surplus – not currently redeployed	33	28	55	55	53	52
Temporarily redeployed into a funded post	38	35	23	22	23	25
Accepted VR with future leaving date			11	23	35	26

**103 staff** are now recorded as being surplus, representing an annual salary cost of **£3.97m**

Those not currently redeployed into a position (52) represent annual salary costs of £1.91m. This represents an decrease of £67,000 since the last dashboard.

Out of the 25 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	Pay Bill
June 15	15,330	19,249	£405.4M
April 16	14,883	18,648	£400.6M
May 16	14,765	18,577	£397.2M
June 16	14,582	18,454	£393.6M
July 16	14,334	18,152	£387.8M
August 16	14,050	18,462	£380.9M

As at end August 2016, a total of 14,050 full time equivalent staff were employed by the Council. This figure includes 13,086 permanent fte.

Headcount increased within Communities and Families while FTE decreased. This is due to supply staff which have zero fte

This represents a drop in FTE of 1487 in the period from May 2015 to August 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%
August 16	5.13%

A total of 5.13% of working days in the 12 months to August 2016 were lost to sickness absence.

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

A briefing paper was prepared and circulated wk commencing 19 September 2016.

### Agency expenditure

	Adecco Agency Expenditure
May 15	£1.13M
June 15	£900.5K
August 15	£914.3K
March 16	£988.1K
April 16	£816.9K
May 16	£1.04M
June 16	£1.06M
July 2016	£877.2K
August 16	£942.3K

Agency expenditure covers the period May 2015 to August 2016.

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

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
24	Fixed term
59	Permanent

As at 14 October 2016 we have 83 live vacancies.

## Appendix One - Workforce Dashboard – Summary – 14 October 2016

The graph below provided details of ALL staff on the redeployment register for less than, or more than, three months during the months May to September 2016.

	May	June	July	Aug	Sept	Oct
3 months and more	44	29	32	55	45	43
Less than 3 months	27	34	57	45	66	60
Total Cases	71	63	89	100	111	103

	May	June	July	Aug	Sept	Oct
3 months and more	62.0%	46.0%	36.0%	55.0%	40.5%	41.75%
Less than 3 months	38.0%	54.0%	64.0%	45.0%	59.5%	58.25%

