

Finance and Resources Committee

10.00am, Thursday 1 December 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.

This information is based on the Workforce Dashboard dated 11 November 2016

Links

Coalition pledges	P25, P26, P27, P29 & P30
Council outcomes	CO24, CO25, CO26 & CO27
Single Outcome Agreement	

Managing Workforce Change – Workforce Dashboard

1. Recommendations

- 1.1 To note progress made to date.

2. Background

- 2.1 The Council faces unprecedented financial challenges over the next over the next few years. 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

- 3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme. As at 11 November 2016 four organisational reviews were currently underway across the Council involving 2838 staff.
- 3.2 In summary the findings detail:
- People totalling 790.1fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £29.7m annualised cost savings.
 - 80 people were recorded as being surplus at 11 November 2016 representing an annual salary cost of £3.20m. However, 25 of these people have been redeployed into temporary posts, 18 have a future VR leaving date leaving 37 who are currently not redeployed into a funded post.

- Of the 25 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 11 have posts with the Council.
 - The Career Transition Service has supported a total of 1132 staff. This includes 563 one to one meetings with individuals to discuss their needs, 735 who have undertaken interview skills training and 630 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 September 2016.

4. Measures of success

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

5. Financial impact

- 5.1 The confirmed reductions from voluntary severance arrangements will achieve recurring annualised cost savings (including national insurance and pensions) of £29.7m

6. 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.

7. Equalities impact

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

8. Sustainability impact

- 8.1 There is no sustainability impact of this report.

9. Consultation and engagement

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

10. Background reading/external references

10.1 None.

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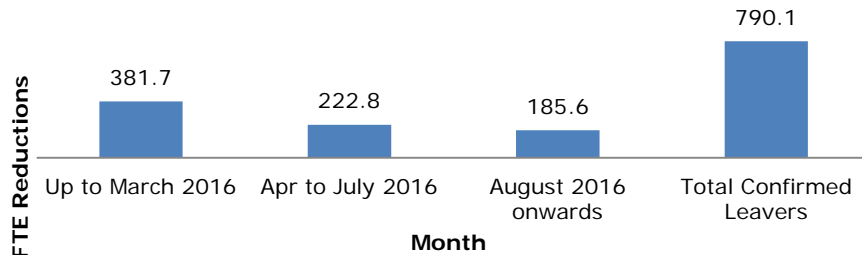
Links

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

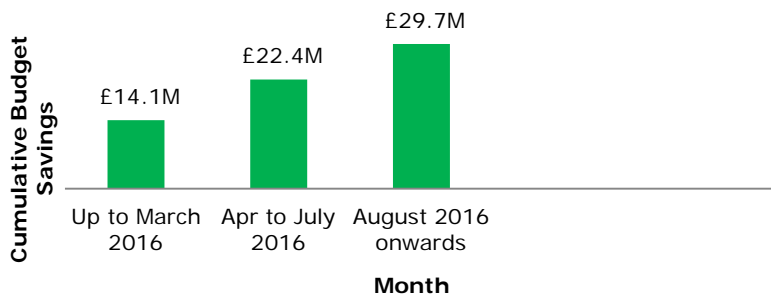
2838 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

VERA/VR leaver reductions (FTE)



People accounting for a total of **790.1 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 **790.1 FTE** reductions from VERA and VR will achieve recurring savings of **£29.7M**.

The one off VR/VERA and pension strain cost for those cases is £34.1m and the overall payback period is 13.8 months, which is in line with planning assumptions.

Employee support / Career Transition Service

	June 2016	July 2016	August 2016	Sept 2016	Oct 2016	Nov 2016
Number of people in review	3681	3661	3661	2288	2838	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	1132
1:1's	563
Attended interview skills training	735
Requested access to online registration for Right Everywhere access	630

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

Redeployment – number of people and cost

	June 2016	July 2016	August 2016	September 2016	Oct 2016	Nov 2016
Number of people on register	63	89	100	111	102	80
Annual salary cost	£2.9M	£3.8M	£3.97m	£4.45m	£3.95m	£3.20m
Monthly Salary Cost					£329,427	£266,776
Monthly Salary Cost (excluding those in funded posts)					£254,112	£191,461
Monthly Salary Cost for those on register for over 3 months (not currently redeployed)					£92,538	£131,015
Surplus – not currently redeployed	33	28	55	55	43	37
Temporarily redeployed into a funded post	38	35	23	22	25	25
Accepted VR with future leaving date			11	23	34	18

80 staff are now recorded as being surplus, representing an annual salary cost of £3.20m

Those not currently redeployed into a position (37) represent annual salary costs of £1.4m. This represents a decrease of £200,000 since the last dashboard.

A targeted bumped redundancy exercise is currently underway to help secure permanent employment for GR7 staff on the register. They are the largest group of staff (15 in total) and we are targeting staff in broadly comparable positions across the Council.

Since the first reviews were implemented in Dec2015/Jan 2016, a total of 19 permanent redeployments have been secured and 1 medical redeployment.

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
Sept 16	14,025	17,928	£374.4M

As at end Sept 2016, a total of 14,025 full time equivalent staff were employed by the Council.

This represents a drop in FTE of 1305 in the period from June 2015 to September 2016.

Sickness absence

	12 month rolling average
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%
Sept 16	5.15%

A total of 5.15% of working days in the 12 months to September 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
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
September 16	£1.07M

Agency expenditure covers the period June 2015 to September 2016.

Data recorded here refer to agency expenditure recruited through Adecco, the Council's contracted provider of temporary agency workers. Agency spend has increased since August due to the following: -

Customer – recruitment to the new structure started in September and agency temps were recruited to cover posts until permanent appointments made. There is also an agreed strategy to retain 10% of current FTE as Agency to be used to offset future budget savings requirements. Environment - due to the increase of street cleaners for the festival and aftermath of the festival. Also, there has been an increase in the number of short term agency temps for bin crews to make up shift numbers. Delays in recruiting to Environment structures has also meant that the number of long stay agency staff have not decreased as expected.

There are on going reviews still requiring Agency cover

Vacancies

Number of roles	Contract Type
28	Fixed term
67	Permanent

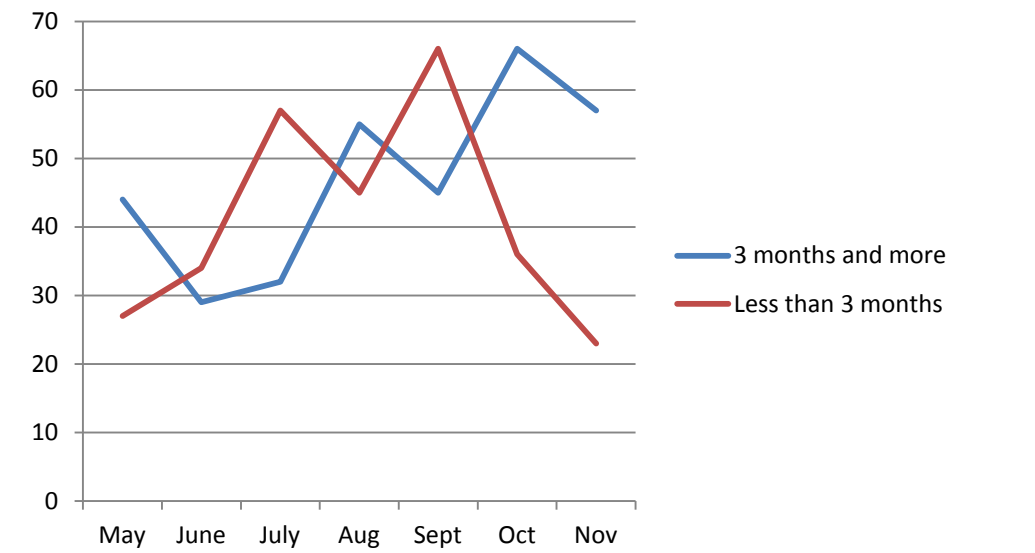
As at 10 November 2016 we have 95 live vacancies.

Appendix One - Workforce Dashboard – Summary – 11 November 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 November 2016.

	May	June	July	Aug	Sept	Oct	Nov
3 months and more	44	29	32	55	45	66	57
Less than 3 months	27	34	57	45	66	36	23
Total Cases	71	63	89	100	111	102	80

	May	June	July	Aug	Sept	Oct	Nov
3 months and more	62.0%	46.0%	36.0%	55.0%	40.5%	64.7%	71.3%
Less than 3 months	38.0%	54.0%	64.0%	45.0%	59.5%	35.3%	28.8%



Note: 3 months and more on the redeployment register

the above figure of 57 for November include include **all** staff who have been surplus for 3 months or more as follows:-

those staff not currently redeployed	25
those staff with a VR future date	9
those staff in temporary redeployment	23