

Finance and Resources Committee

10.00am, Thursday, 19 January 2017

Managing Workforce Change – Workforce Dashboard

Item number	7.12
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 6 January 2017.

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 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

- 3.1 The attached dashboard (Appendix 1) provides indicators to monitor change through the Council Transformation programme. As at 6 January 2017, four organisational reviews were currently underway across the Council involving 2697 staff.
- 3.2 In summary the findings detail:
- People totalling 804.5fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £30.2m annualised cost savings.
 - 57 people were recorded as being surplus at 6 January 2017 representing an annual salary cost of £2.23m. This represents a 49% decrease in the number of redeployees since September 2016. Of the 57 redeployees 34 have been redeployed into temporary posts, four have a

future VR leaving date leaving 19 who are currently not redeployed into a funded post.

- Of the 34 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 20 have other posts with the Council.
- The Career Transition Service has supported a total of 1228 staff. This includes 607 one to one meetings with individuals to discuss their needs, 837 who have undertaken interview skills training and 684 people who have taken advantage of the services provided by specialist provider.
- A targeted bumped redundancy exercise is currently underway to help secure permanent employment for Grade 7 staff on the register (10 in total).
- Council's FTE headcount has reduced by 1,311 between October 2015 and October 2016.

3.3 The latest available information on Council wide staffing numbers, sickness absence and agency expenditure is as reported at October 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 £30.2m

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

None.

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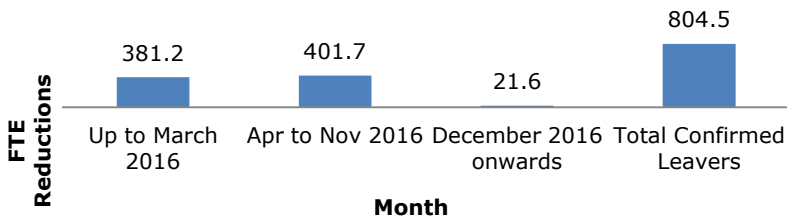
Links

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

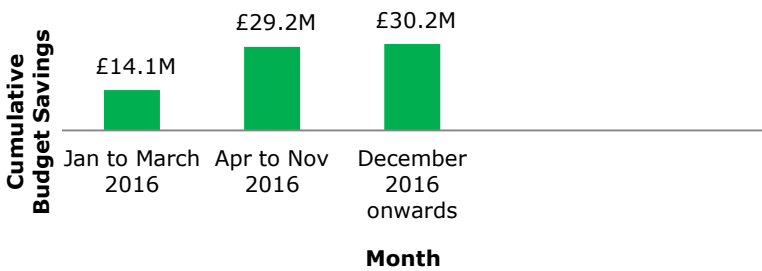
2697 people are currently involved in ongoing organisational reviews and further voluntary redundancy cases are expected in future.

VERA/VR leaver reductions (FTE)



People accounting for a total of 804.5 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 804.5 FTE reductions from VERA and VR will achieve recurring savings of £30.2M.

The one off VR/VERA and pension strain cost for those cases is £35m and the overall payback period is 13.9 months, which is in line with planning assumptions.

Employee support / Career Transition Service

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Number of people in review	3661	2288	2838	2898	3548	2697
Support						no.to date
No of staff accessed CTS						1228
1:1's						607
Attended interview skills training						837
Requested access to online registration for Right Everywhere access						684

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.

Redeployment – number of people and cost

	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017
Number of people on register	100	111	102	86	61	57
Annual salary cost	£3.97 m	£4.45 m	£3.95m	£3.24m	£2.41m	£2.23m
Monthly Salary Cost			£329,427	£270,012	£201,285	£186,315
Monthly Salary Cost (excluding those in funded posts)			£254,112	£191,970	£121,115	£86,481
Monthly Salary Cost for those on register for over 3 months (not currently redeployed)			£92,538	£127,510	£118,998	£86,481
Surplus – not currently redeployed	55	55	43	35	28	19
Temporarily redeployed into a funded post	22	23	25	26	27	34
Accepted VR with future leaving date	23	33	34	25	6	4

57 staff are now recorded as being surplus, representing an annual salary cost of £2.23m and a 49% decrease in the number of redeployees since September 2016.

Those not currently redeployed into a position (19) represent annual salary costs of £775K. This represents a decrease of £277K since the last dashboard.

A targeted bumped redundancy exercise is currently underway to help secure permanent employment for GR7 staff on the register (10 in total) Since the first reviews were implemented in Dec2015/Jan 2016, a total of 33 permanent redeployments have been secured. 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
Oct 15	15,208	19,249	£409.4M
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
Oct 16	13,897	18,327	£377.4M

As at end Oct 2016, a total of 13,897 full time equivalent staff were employed by the Council.

This represents a drop in FTE during October of 1,311 and a drop in paybill of £32M in the period from October 2015 to October 2016.

See attached briefing note for further explanation of month by month changes

Sickness absence

	12 month rolling average
Oct 15	4.99%
May 16	4.98%
June 16	5.08%
July 16	5.12%
August 16	5.13%
Sept 16	5.15%
Oct 16	5.18%

A total of 5.18% of working days in the 12 months to October 2016 were lost to sickness absence.

This figure continues to rise against the backdrop of transformational change. Plans are in development to address the increase in stress related absence.

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

Agency expenditure

	Adecco Agency Expenditure
Oct 15	£1.04M
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
October 16	£864.3K

Agency expenditure covers the period June 2015 to October 2016.

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

Vacancies

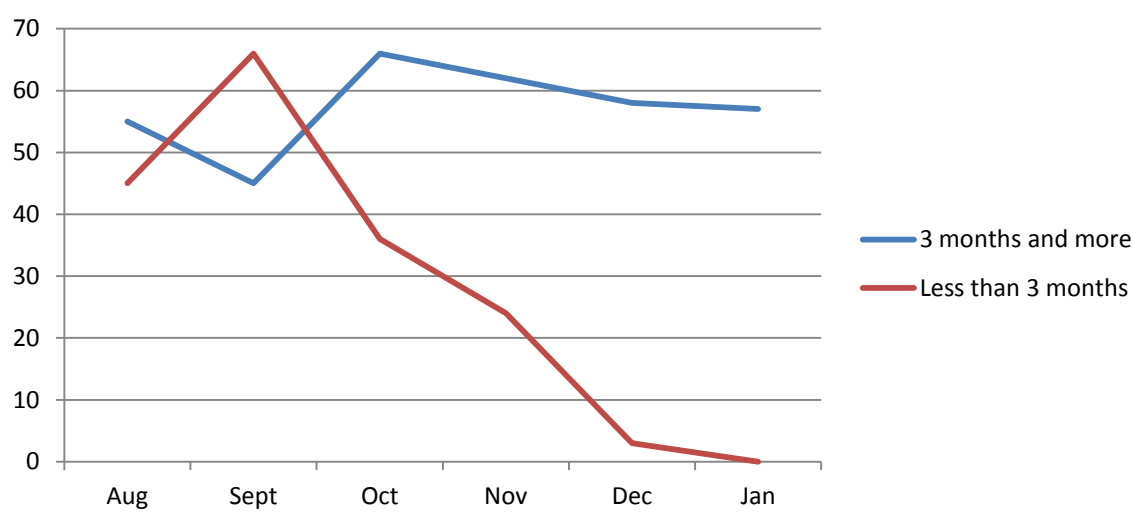
Number of roles	Contract Type
24	Fixed term
44	Permanent

As at 6 January 2017 2016 we have 68 live vacancies.

Appendix One - Workforce Dashboard – Summary – 6 January 2017

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

	Aug	Sept	Oct	Nov	Dec	Jan
3 months and more	55	45	66	62	58	57
Less than 3 months	45	66	36	24	3	0
Total Cases	100	111	102	86	61	57
	Aug	Sept	Oct	Nov	Dec	Dec
3 months and more	55.0%	40.5%	64.7%	72.09%	95.10%	100.0%
Less than 3 months	45.0%	59.5%	35.3%	27.91%	4.09%	0.0%



Note: 3 months and more on the redeployment register

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

those staff not currently redeployed	19
those staff with a VR future date	4
those staff in temporary redeployment	34