

Finance and Resources Committee

10.00am, Thursday, 23 February 2017

Managing Workforce Change – Workforce Dashboard

Item number	7.6
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 17 February 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.
- 2.2 In order to achieve the savings required 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 17 February 2017 four organisational reviews were currently underway across the Council involving 2,697 staff.
- 3.2 In summary the findings detail:
- People totalling 880.2 fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £33.1m annualised cost savings.
 - 42 people were recorded as being surplus at 17 February 2017 representing an annual salary cost of £1.71m. This represents a 62% decrease in the number of redeployees since September 2016. Of the 42 redeployees, 19 have been redeployed into temporary posts, 7 have a future VR leaving date, leaving 16 who are currently not redeployed into a funded post.

- A total of 49 permanent redeployments have been secured since the first reviews were implemented in December 2015.
- The Career Transition Service has supported a total of 1321 staff. This includes 700 one to one meetings with individuals to discuss their needs, 888 who have undertaken interview skills training and 708 people who have taken advantage of the services provided by Right Management Careers Specialists.
- A targeted bumped redundancy exercise is currently underway to help secure permanent employment for Grade 7 staff on the register (10 in total).
- There is a Career Transition Service Open Day on 1 March 2017 for redeployees. The aim of the event is to provide staff with advice, information and the tools to consider their career options. Right Management, recruitment agencies, further and higher education representatives and other external organisations offering support and advice will be present on the day.

3.3 The latest available information on Council wide staffing numbers, sickness absence and agency expenditure is as reported at December 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 £33.1m.

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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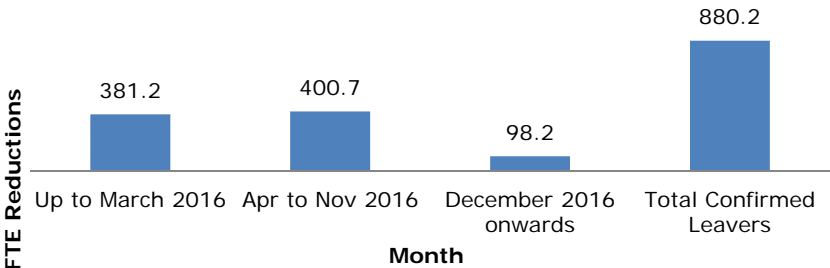
Links

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 – The Council communicates effectively internally and externally and has an excellent reputation for customer care CO25 – The Council has efficient and effective services that deliver on objectives CO26 – The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives CP27 – The Council supports, invests in and develops our people
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. It is anticipated that these reviews will reduce the workforce by approx. 200 FTE.

VERA/VR leaver reductions (FTE)

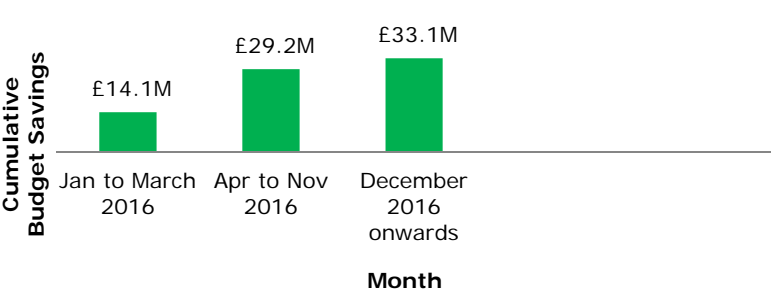


People accounting for a total of 880.2 FTE are confirmed as leaving the Council under VERA and VR arrangements. The following reviews are ongoing and it is anticipated all will be implemented by 1 April 2017: -

Health & Social Care
Schools & Lifelong Learning
Facilities Management (3A)
It is anticipated that the reduction of 200 FTE referred to above will be managed through VRs and vacancy management.

Facilities Management (3B) - consultation on this review is scheduled to start on 1 March 2017 with an estimated FTE reduction of > 100.

Current and projected cumulative budget savings



The confirmed 880.2 FTE reductions from VERA and VR will achieve recurring savings of £33.1M.

The one off VR/VERA and pension strain cost for those cases is £37.8m and the overall payback period is 13.7 months, which is in line with planning assumptions.

Employee support / Career Transition Service

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Number of people in review	2288	2838	2898	3548	2697	2697
Support						no.to date
No of staff accessed CTS						1321
1:1's						700
Attended interview skills training						888
Requested access to online registration for Right Everywhere access						708

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

	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017
Number of people on register	111	102	86	61	57	42
Annual salary cost	£4.45m	£3.95m	£3.24m	£2.41m	£2.26m	£1.71m
Monthly Salary Cost	£370,377	£329,427	£270,012	£201,285	£188,791	£143,288
Unfunded Monthly Salary Cost	£303,622	£254,112	£191,970	£121,115	£94,173	£86,623
Surplus – not currently redeployed	55	43	35	28	19	16
Temporarily redeployed into a funded post	23	25	26	27	34	19
Accepted VR with future leaving date	33	34	25	6	4	7

42 staff are currently on our redeployment register, representing an annual salary cost of £1.71m and a 62% decrease in the number of redeployees since September 2016.

A targeted bumped redundancy exercise is currently underway to help secure permanent employment for GR7 staff on the register.

An open day will be held on 1st March to which all staff on our redeployment register have been invited to attend.

Since the first reviews were implemented in Dec 2015/Jan 2016, a total of 49 permanent redeployments have been secured.

Redeployees working towards the social work qualification and guaranteed a social worker post have been removed from the register along with Active Schools Co-Ordinators funded by Sports Scotland.

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
Nov 15	15,366	18,744	£412.9M
Dec 15	15,152	18,834	£405.3M
July 16	14,334	18,152	£387.8M
Aug 16	14,050	18,462	£380.9M
Sept 16	14,025	17,928	£374.4M
Oct 16	13,897	18,327	£377.4M
Nov 16	14,014	18,362	£379.3M
Dec 16	14,143	18,304	£382.0M

As at the end of Dec 16, a total of 14,143 FTE staff were employed by the Council. This represents a drop in FTE by 1065 from Oct 15 and £27.4m in pay bill.

Between Nov and Dec FTE has increased by 129 with an increase to the pay bill of £2.7m and reflects recruitment to vacant posts following organisational reviews.

Sickness absence

	12 month rolling average
Nov 15	4.94%
June 16	5.08%
July 16	5.12%
August 16	5.13%
Sept 16	5.15%
Oct 16	5.18%
Nov 16	5.17%
Dec 16	5.24%

A total of 5.24% of working days in the 12 months to December 2016 were lost to sickness absence.

Plans are in development to address the increase in sickness absence including stress related absence. CLT will consider a draft plan before the end of February 2017.

Agency expenditure

	Q3 (Oct – Dec 15)	Q2 (Jul-Sept 16)	Q3 (Oct – Dec 16)
Adecco UK Ltd	£2.6M	£3.2M	£2.7M

The table indicates agency spend with Adecco to Dec 16.

A reduction of £0.5m in spend for Q3 compared to Q2 is reported.

Vacancies

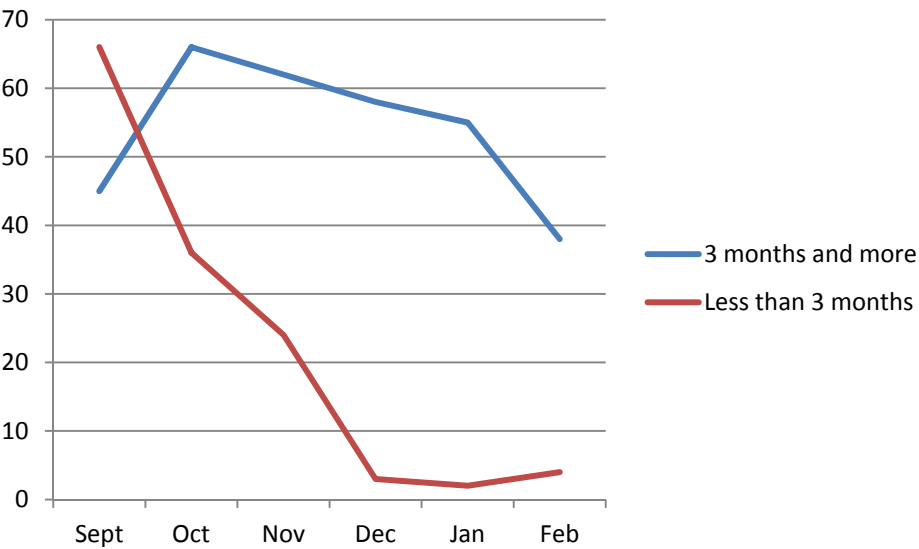
Number of roles	Contract Type
12	Fixed term
28	Permanent
1	Casual

As at 17 February 2017 we have 41 live vacancies advertised on My job Scotland.

Appendix One - Workforce Dashboard – Summary – 17 February 2017

The graph below provides details of ALL staff on the redeployment register for less than, or more than, three months during the months September 2016 to February 2017.

	Sept	Oct	Nov	Dec	Jan	Feb
3 months and more	45	66	62	58	55	38
Less than 3 months	66	36	24	3	2	4
Total Cases	111	102	86	61	57	42
	Sept	Oct	Nov	Dec	Jan	Feb
3 months and more	40.5%	64.7%	72.09%	95.10%	96.5%	90.50%
Less than 3 months	59.5%	35.3%	27.91%	4.90%	3.5%	9.5%



Note: 3 months and more on the redeployment register
the above figure of 38 for February includes **all** staff who have been surplus for 3 months or more as follows:-

those staff not currently redeployed	12
those staff with a VR future date	7
those staff in temporary redeployment	19