

# Finance and Resources Committee

10.00am, Thursday, 23 March 2017

## 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 17 March 2017.

### 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.

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 17 March 2017 four organisational reviews were currently underway across the Council involving 2697 staff.

3.2 In summary the findings detail:

- People totalling 888.2 fte have exited/are confirmed to exit the organisation through voluntary severance arrangements, equating to £33.4m annualised cost savings.
- 55 people were recorded as being surplus at 17 March 2017 representing an annual salary cost of £2.18m. This represents a 46% decrease in the number of redeployees since October 2016. Of the 55 redeployees, 19 have been redeployed into temporary posts, 10 have a future VR leaving date, leaving 26 who are currently not redeployed into a funded post.

- A total of 57 permanent redeployments have been secured since the first reviews were implemented in December 2015.
  - The Career Transition Service has supported a total of 1378 staff. This includes 714 one to one meetings with individuals to discuss their needs, 898 who have undertaken interview skills training and 740 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.
  - The Career Transition Service Open Day on 1 March 2017 was a great success and positive feedback received from attendees. The aim of the event was to provide redeployees and VR leavers with information and advice to assist them in considering their future career options. Right Management, recruitment agencies, further and higher education representatives and other external organisations offering support and advice were present. A further event is planned for May 2017.
- 3.3 The latest available information on Council wide staffing numbers, sickness absence and agency expenditure is as reported at January 2017.

## **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 £33.4m.

## **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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- 10.1 None.

### Hugh Dunn

Acting Executive Director of Resources

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### Links

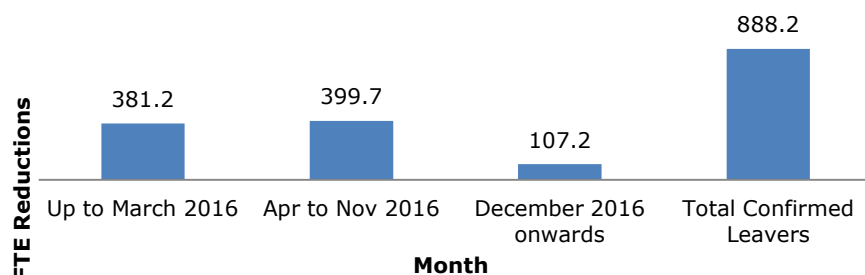
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<b>Coalition pledges</b>	<p>P25 - Introduce a “living wage” (currently set at £7.20) for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development</p> <p>P26 - Establish a policy of no compulsory redundancies</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>CP27 – 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

## 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)

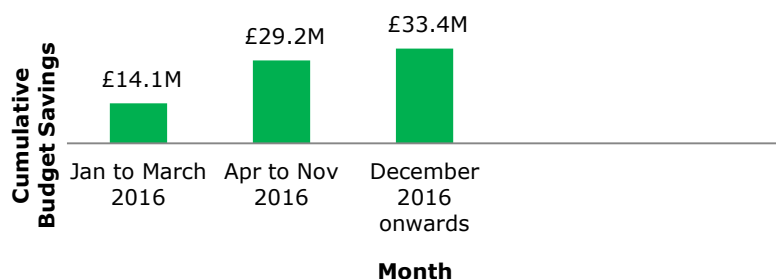


People accounting for a total of 888.2 FTE are confirmed as leaving the Council under VERA and VR arrangements. The following reviews are ongoing and it is anticipated all will be implemented by 1 April 2017:-

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 being staggered for the staff groups in scope. It is anticipated it will begin with Janitors in May 2017 and Cleaning staff in August 2017.

## Current and projected cumulative budget savings



The confirmed 888.2 FTE reductions from VERA and VR will achieve recurring savings of £33.4M.

The one off VR/VERA and pension strain cost for those cases is £38.1m and the overall payback period is 13.7 months, which is in line with planning assumptions.

## Employee support / Career Transition Service

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Number of people in review	2838	2898	3548	2697	2697	2697
Support						no.to date
No of staff accessed CTS						1378
1:1's						714
Attended interview skills training						898
Requested access to online registration for Right Everywhere access						740

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.

An Open Day was held on 1 March and attended by 44 staff. Feedback was very positive and a further open day is planned for May 2017.

## Redeployment – number of people and cost

	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017
Number of people on register	102	86	61	57	42	55
Annual salary cost	£3.95m	£3.24m	£2.41m	£2.26m	£1.71m	£2.18m
Monthly Salary Cost	£329,427	£270,012	£201,285	£188,791	£143,288	£182,042
Unfunded Monthly Salary Cost	£254,112	£191,970	£121,115	£94,173	£86,623	£132,490
Surplus – not currently redeployed	43	35	28	19	16	26
Temporarily redeployed into a funded post	25	26	27	34	19	19
Accepted VR with future leaving date	34	25	6	4	7	10

55 staff are currently on our redeployment register, representing an annual salary cost of £2.18m and a 46% decrease in the number of redeployees since October 2016.

The increase in redeployees since the last dashboard is mainly due to staff recently being declared surplus from the Schools and Lifelong Learning Review.

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

Since the first reviews were implemented in Dec 2015/Jan 2016, a total of 57 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
Jan 16	15,095	18,827	£402.6M
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
Jan 17	14,200	18,279	£382.7M

On an annual basis January 2017 staff numbers are 895 FTE lower and the pay bill is £19.9m lower.

Between Dec and Jan FTE has increased by 57 with an increase to the pay bill of £0.7m and reflects recruitment to vacant posts following organisational reviews.

### Sickness absence

	12 month rolling average
Jan 16	4.86%
July 16	5.12%
August 16	5.13%
Sept 16	5.15%
Oct 16	5.18%
Nov 16	5.17%
Dec 16	5.24%
Jan 17	5.21%

A total of 5.21% of working days in the 12 months to January 2017 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 on 8<sup>th</sup> March 2017.

### Agency expenditure

	Q3 (Oct – Dec 15)	Q2 (Jul– Sept 16)	Q3 (Oct– Dec 16)	Jan 17
Adecco UK Ltd	£2.6M	£3.2M	£2.7M	£850.8K

The table indicates agency spend with Adecco to January 17.

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

### Vacancies

Number of roles	Contract Type
28	Fixed term
53	Permanent
0	Casual

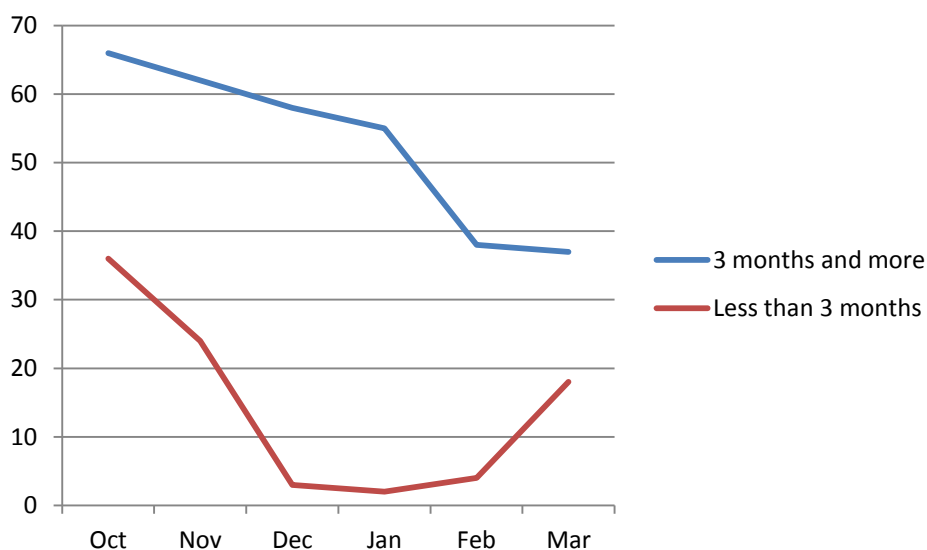
As at 17 March 2017 we have 81 live vacancies advertised on My job Scotland.

## Appendix One - Workforce Dashboard – Summary – 17 March 2017

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

	Oct	Nov	Dec	Jan	Feb	Mar
3 months and more	66	62	58	55	38	37
Less than 3 months	36	24	3	2	4	18
Total Cases	102	86	61	57	42	55

	Oct	Nov	Dec	Jan	Feb	Mar
3 months and more	64.7%	72.09%	95.10%	96.5%	90.50%	67.00%
Less than 3 months	35.3%	27.91%	4.09%	3.5%	9.50%	33.00%



### Note: 3 months and more on the redeployment register

the above figure of 37 for March includes **all** staff who have been surplus for 3 months or more as follows:-

those staff not currently redeployed	8
those staff with a VR future date	10
those staff in temporary redeployment	19