

# Finance and Resources Committee

10.00am, Tuesday, 5 September 2017

## Workforce Dashboard

Item number	8.1
Report number	
Executive/routine	
Wards	

### Executive Summary

---

To ensure the Committee members were kept up-to-date with key people metrics during the transformation programme, at its meeting on 29 October 2015, the Finance and Resource Committee requested regular updates. To respond to this, a dashboard detailing VERA (Voluntary Early Release Agreement) and VR (Voluntary Redundancy) together with other data (staffing numbers, staff without roles, absence and agency numbers) was developed.

This dashboard has subsequently been reported on a monthly basis to the Finance and Resources Committee.

During Committee recess the opportunity has been taken to review the current dashboard. This has resulted in a more comprehensive and insightful workforce dashboard being developed.

## Workforce Dashboard

### 1. Recommendations

---

- 1.1 To review and note the workforce information contained in the dashboard

### 2. Background

---

- 2.1 The previous administration, through the Finance and Resources Committee, requested regular updates on the number of employees exiting the organisation through VERA (Voluntary Early Release Agreement) or VR (Voluntary Redundancy) and the associated annualised cost savings. Additional workforce data was requested and included relating to current staffing numbers, absence levels, data on the position of surplus staff and agency spend.
- 2.2 The Workforce Dashboard, attached as Appendix 1, replaces the previous VERA/VR Dashboard previously reported to Committee.

### 3. Main report

---

- 3.1 The attached dashboard (Appendix 1) provides workforce information on:
- the number of Full Time Equivalent (FTE) staff employed by the Council, the type of contract they are employed through and the turnover of new starts and leavers;
  - trends on absence rates, including the top five reasons for short and long term absence;
  - the cost of the pay bill, including the cost associated with new starters and leavers;
  - insight relating to our new performance framework (which was launched earlier this year) including the percentage of annual conversations carried out, the number of Conversation Spotlight workshops carried out and feedback received from our employees who have attended the course;
  - the number of VERA/VR leavers and associated cumulative budget savings;
  - the number of redeployees and associated costs.

## **Workforce FTE**

- 3.2 In April 2015 (when transformation started) FTE was 15,564. Since then we have reduced our FTE by 1,247 – of which 916.4 have left through VERA/VR and 330 FTE reduction through other management actions.
- 3.3 On the last dashboard for May 2017 our reported FTE was 14,173. Since then we have seen an increase of 147 FTE which is because of our revised reporting definitions (i.e. we have now included multiple post holders) and a considered focus on transferring agency staff to permanent or fixed term contracts. The data cleansing work and implementation of precise data definitions that has been undertaken is an essential readiness requirement for the migration to the new enterprise resource planning (ERP) information system, Business World, in Spring 2018.
- 3.4 In June 2017, the number of leavers exceeded the number of new starts by 67 FTE.

## **Absence**

- 3.5 Absence remains an area of concern for us as the 12-month rolling percentage for absence in the Council has risen to 5.27%. The rate of lost working time due to ill-health related absence has remained persistently higher than the Council target of 4.0% during 2016/17. Short term absence is currently 1.68% and with long term absence at 3.59%, which is mainly due to stress/mental health issues, including both work and non-work related causes, and musculoskeletal conditions. Actions taking place to address the absence rate include:
- a taskforce has been set up to address issues of employee wellbeing;
  - a revised Managing Attendance Policy and Guidance is currently in development in consultation with the recognised trade unions;
  - information on absence trends and wellbeing has been revised to ensure that it is as user friendly as possible;
  - training workshops are being rolled out for line managers to manage absence more effectively;
  - retendering for the Employee Assistance Provision and the Occupational Health Supplier is currently underway with a greater focus on employee wellbeing and preventative actions.

## **Pay Bill**

- 3.6 Overall, the pay bill has reduced by £22.8m since October 2015. Whilst we have seen an increase of £9.2M since October 2016 this relates to the increase of 423 FTE over that period and payment of contribution based pay awards in March 2017.
- 3.7 Additionally, it should be noted that the pay bill figures presented incorporate previous annual pay awards of 1.5% in October 2015, and the 1% cost of pay award in March 2016.
- 3.8 In June 2017, the value of leavers exceeded the value of new starters by £1.6M.

## **Performance**

- 3.9 A targeted focus on ensuring all employees had a year-end review for last years' performance (March 2016-April 2017) resulted in 97.21% of staff having a review conversation with their line manager – up from 58% completion in the previous year. The launch of our new performance framework, which all staff are in scope for, includes managers having an annual conversation with their employees – a 'looking forward' conversation; this is an opportunity to ensure that there is absolute clarity about what must be achieved in the year ahead. It also includes discussion on the employee's development needs. Early indications are positive that these will be completed and registered on the system resulting in a high completion rate..
- 3.10 Conversation Spotlight workshops (training to embed our new performance framework) continue to be delivered to support all our line managers in carrying out these conversations. This has required a sustained effort from the HR team who have been delivering workshops every week since the beginning of this year.

## **Agency spend**

- 3.11 On the previous workforce dashboard agency figures have represented our spend with Adecco, who were our main supplier of contingent labour. However, a contract with ASA, primarily for Health and Social Care agency staff, is also in place and a number of additional or 'off-contract' suppliers have been engaged in the past.
- 3.12 Following a tender for a three-year (plus one) recruitment framework, Pertemps were awarded the contract and are now our main supplier. Whilst we will keep ASA in place too, due to the specialist nature of the recruitment they support, we will now start an exercise to close off all 'off contract' spend across the organisation and move this recruitment activity under Pertemps. This will provide us with absolute clarity on agency recruitment activity and spend, coupled with the ability to manage our contract with Pertemps on a proactive basis.
- 3.13 Our monthly spend with Adecco/Pertemps has been consistently around £917,000. For the period of June, we saw a spend of £658,216 with Adecco/Pertemps, a reduction of just under £259,000. However, this is because of invoices slipping into July as we moved our contract from Adecco to Pertemps.
- 3.14 Additionally, there was spend of £694,536 with ASA and £146,205 with 'off-contract' suppliers.
- 3.15 We recognise that there will always be a requirement for us to engage contingent labour to supplement our employed workforce but with the introduction of one main supplier, plus ASA, we will be in a much stronger position to provide meaningful data to bring about improved controls and targeted reductions in this spend. Data relating to this spend will be scrutinised as part of the monthly workforce dashboard reviewed by the Corporate Leadership Team.

## **Transformation and Redeployment**

- 3.17 Current organisational reviews are:
- Facilities Management (Janitorial staff);

- Family and Household Support within Safer and Stronger Communities; and
  - Executive Support within Customer.
- 3.18 Reviews of Health and Social Care (Phase 3), Facilities Management (Cleaners) and Strategy and Insight are in the planning stage.
- 3.19 People accounting for 923.4 FTE are confirmed as leaving the Council through VERA/VR arrangements. This equates to £34.6M recurring savings.
- 3.20 60 employees are currently on the redeployment register, representing an annual salary cost of £2.4M. Of these 60 individuals, 23 have accepted VR, 16 are in temporary funded posts and 21 individuals are not currently redeployed or in a temporary/funded post, representing a monthly salary cost of £158.1k.
- 3.21 A total of 58 permanent redeployments have been secured since the first transformation reviews in December 2015.
- 3.22 The Career Transition Service continues to support those on the redeployment register, and those in review, through recruitment and selection training and careers counselling.

#### **4. Measures of success**

---

- 4.1 That, where possible, the Council achieves the necessary employee reductions by voluntary means.
- 4.2 The costs of unfunded individuals are managed as best as possible (within the no compulsory redundancy commitment).
- 4.3 That the monitoring of appropriate workforce data will evidence that the Council is on track to achieve targeted budget savings.
- 4.4 Absence rates are within our target of 4.0%.
- 4.5 All employees have a 'looking forward' conversation to set their performance objectives and development priorities for this performance year.

#### **5. Financial impact**

---

- 5.1 The confirmed reductions from voluntary severance arrangement will achieve recurring annualised cost savings (including national insurance and pensions) of £34.6M.

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

---

- 6.1 The voluntary severance releases are essential to ensure that the Council can 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 [Managing Workforce Change – Workforce Dashboard Report to Finance and Resources Committee on 23 March 2017](#)

### **Stephen S Moir**

Executive Director of Resources

Contact: Katy Miller, Head of Human Resources

E-mail: [katy.miller@edinburgh.gov.uk](mailto:katy.miller@edinburgh.gov.uk) | Tel: 0131 469 5522

## **11. Appendices**

---

Appendix 1 – Finance and Resources Committee Workforce Dashboard

# F&R Committee: Council Workforce Dashboard

Period: June 2017

Issued: 1 Aug 2017

## Workforce FTE

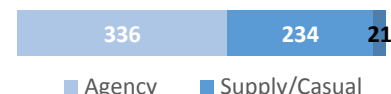
FTE Actual: 14,320

### FTE (Period)



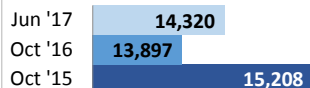
Headcount Actual: 18,309

### Additional FTE\* (Period)



\*Hours utilised reported as equivalent monthly FTE

### FTE Trend



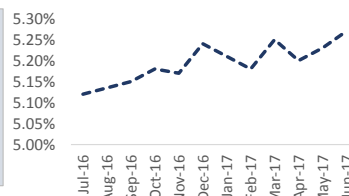
### Turnover FTE (Period)



## Absence

### 12 Month Rolling Average

	12 Month Rolling %	Target
Total Absence	5.27%	4%
Short term	1.68%	



## Absence Reasons

Short Term		Long Term	
Reasons	% Days Lost	Reasons	% Days Lost
Infections	26.16%	Stress, depression, mental health & Fatigue syndromes	31.45%
Stomach, liver, kidney & Digestion	17.18%	Other musculo-skeletal problems	14.98%
Other musculo-skeletal problems	9.19%	Hospitalisation/Surgery/Convalescence	13.37%
Stress, depression, mental	9.03%	Back & neck problems	8.14%
Eye, ear, nose & mouth /	6.68%	Cancer and associated illness/treatment	4.84%

## Pay Bill

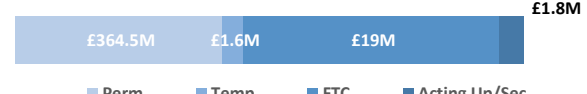
Actual (Period): £32.2M

Annual (Projected): £386.6M

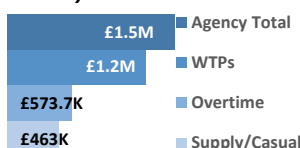
### Pay Bill (Period)



### Pay Bill (Annual Projected)



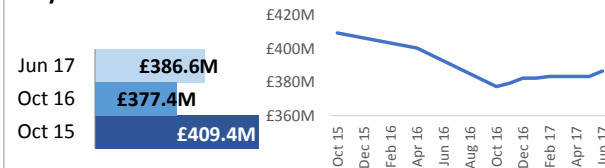
### Monthly Costs



### Pay Bill Turnover (Period)

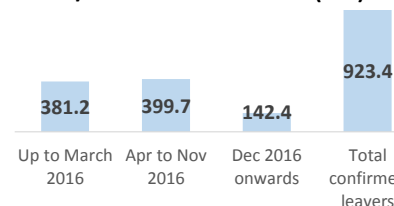


### Pay Bill Trend



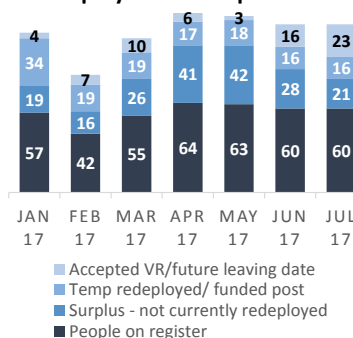
## Transformation (at 31 July 17)

### VERA/VR Leaver Reductions (FTE)

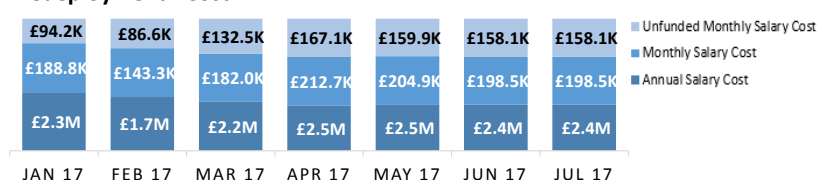


The confirmed 923.4 FTE reductions from VERA and VR will achieve recurring savings of £34.6M.

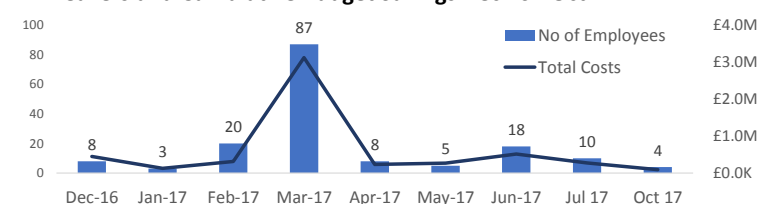
## Redeployment - People



## Redeployment - Cost

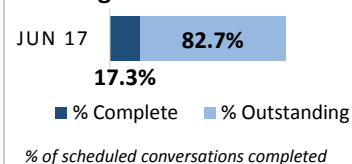


## VR Leavers and Cumulative Budget Savings Dec 16 - Oct 17



## Performance

### Looking Ahead Conversations



% of scheduled conversations completed

## Conversation Spotlight

Sessions Held	Completion Rate
WLT	92.5%
Senior Managers Tier 4	74.0%



Participant feedback

Participants shared one word that summed up what they enjoyed most about the two days together

**Workforce FTE**

**FTE Actual:** Sum of FTE for all staff on CEC  
Count of total contracts/positions is not reported here

**Headcount Actual:** Total number of individual employees on CEC payroll

**FTE (Period)**

Breakdown of FTE by contract type for all staff on CEC payroll. A snapshot taken on 25th of each month (post 2nd payroll calc to capture all contractual changes, leavers etc). New starts after 1st of month are removed and included in the next month's FTE analysis. This methodology enables better syncing of workforce FTE data and new start/leaver data.

**Additional FTE\* (Period)**

Breakdown of additional working hours utilisation for overtime, casual/supply, agency represented as equivalent FTE.  
Overtime - actual units of time paid at last transaction date. Data extracted at week 1 to capture late payments.  
Agency - actual units of time paid at weekly payrolls during month. Data extracted after last weekly payroll in preceding month  
Casual/supply - actual units of time paid at last transaction date. Data extracted at week 1 to capture late payments.

FTE calculated on the basis that a full-time Local Government Employee works 36 hours per week over 52.18 weeks (1878 hours). This calculation will be developed for the next dashboard to take into account a 35 hours working week for Teacher T&C contracts and any other conditions identified at consultation.

**FTE Trend**

Archive data from previous S&I dashboard process.

**Turnover FTE (Period)**

Organisation new starts and leavers in the month. Does not report on internal new appointments (e.g. additional contracts, promotion) or ended contracts for multi-position holders (where other positions are still live).

**Pay Bill**

**Actual (Period):** Sum of pro-rated basic salary for all staff on CEC payroll

**Annual (Projected):** Sum of pro-rated basic salary for all staff on CEC payroll\*12

**Pay Bill (Period)**

Breakdown of basic pay by contract type for all staff on CEC payroll. Same reporting conditions as for FTE.

**Pay Bill (Annual Projected)**

Breakdown of basic pay by contract type for all staff on CEC payroll\*12. Same reporting conditions as for FTE.  
For trends analysis it should be noted that workforce FTE/cost vs new start/leaver FTE/cost will never match exactly due to the "internal churn" of the existing staff population, e.g. changes to working hours, additional contracts.

**Monthly Costs**

Actual cost of hours claimed for overtime, agency and casual/supply and payments made in period. Actual cost of transactions for all working time payments (variable, shifts, weekend, nights, disruption) at the last transaction date.

**Pay Bill Turnover (Period)**

As FTE. Costings report on the annual basic salaries (pro-rated) for new start and leaver populations.

**Pay Bill Trend**

Archive data from previous S&I dashboard process.

**Transformation****VERA/VR Leaver Reductions (FTE)**

Data from Finance

**Redeployment - People**

Headcount of staff on redeployment register with status surplus, temp redeployed, future dated VERA/VR leaver. Data extracted at 27th of month. We plan to update the reporting to include detailed split on future dated leavers (for signed-off and awaiting sign-off) for more clarity.

**Redeployment - Cost**

Pro-rated basic salary data for staff on redeployment register.

**VR Leavers and Cumulative Budget Savings**

Data from Finance

**Absence**

All tables and graphs based on preceding 12 months absence data for all staff on CEC payroll.

Data extracted at week 1 to capture late data input.

Trend data - archive data from previous S&I dashboard process.

**Performance****Conversation Spotlight**

Data from L&D.

**Looking Ahead Conversations**

Total number of conversations where target date for completion has been reached (last day of preceding month). Data extracted at week 1 to capture late input. For GR5-12 all looking ahead meetings should have taken place by May 17. Different service areas have varying rolling dates for completion of GR1-4. Staff do not fall into scope for completion analysis until the last day of their target month for completion has passed.