

# Finance and Resources Committee

10.00am, Tuesday 27 March 2018

## Workforce Dashboard

Item number	7.3
Report number	
Executive/routine	
Wards	
Council Commitments	

### Executive Summary

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The workforce dashboard covers the period January 2018. The general trend since the previous report shows that whilst there is an overall increase in our FTE, the workforce composition has changed, showing a reduction in permanent FTE and an increase in Fixed Term and acting-up/secondments.

Analysis at Directorate level reveals that Communities and Families have introduced an additional 62 FTE on a fixed term basis to meet pupil needs. All other Directorates show a stable or reducing FTE with the greatest decrease, 50 FTE, coming from the Resources Directorate. The Teaching pay bill shows an increase in the period whilst the local government employee (LGE) pay bill remains stable. There is a slight downward trend in agency cost over the past 6 months.

## Workforce Dashboard

### 1. Recommendations

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

### 2. Background

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- 2.1 The dashboard reporting period is January 2018.

### 3. Main report

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- 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 performance framework (launched April 2017) 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; and
  - the number of redeployees and associated costs.
- 3.2 Whilst our FTE has increased by 62 (as a result of fixed term contractors being recruited by Communities and Families), the overall position for the organisation (balancing leavers and joiners) is a net increase 38 FTE. Of the 62 FTE increase, 16 FTE in the Local Government Employee group, from 10,902 to 10,918 and an increase of 22 FTE in the Teaching Employee group from 3,619 to 3,597.
- 3.3 The new start vs leaver turnover FTE was almost neutral for FTE (131 new starts vs 127 leavers), but the cost of new starts was £0.3M less than the cost of leavers, yielding a cost saving in this area.

- 3.4 However, overall the (projected annual) pay bill increased by £1.0M in the period; this relates to basic pay bill and does not include any additional costs. The savings yielded from leavers and reduction in LGE FTE/pay bill (£0.3M) was off-set by the increase to FTC arrangements in Communities and Families. The projected annual cost of FTCs increased by £1.2M.

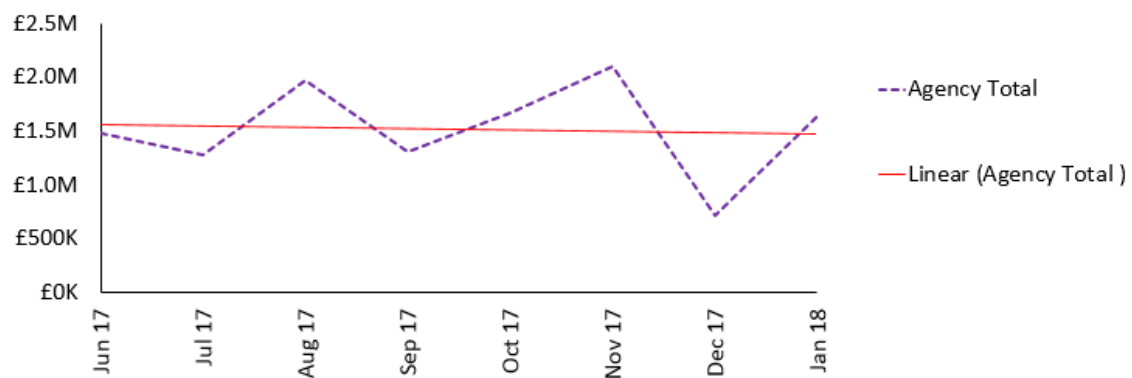
The overall teaching pay bill increased from £133M to £134M in the period compared to the LGE pay bill which remained stable at £260M.

- 3.5 The table below outlines the total FTE change by Directorate:-

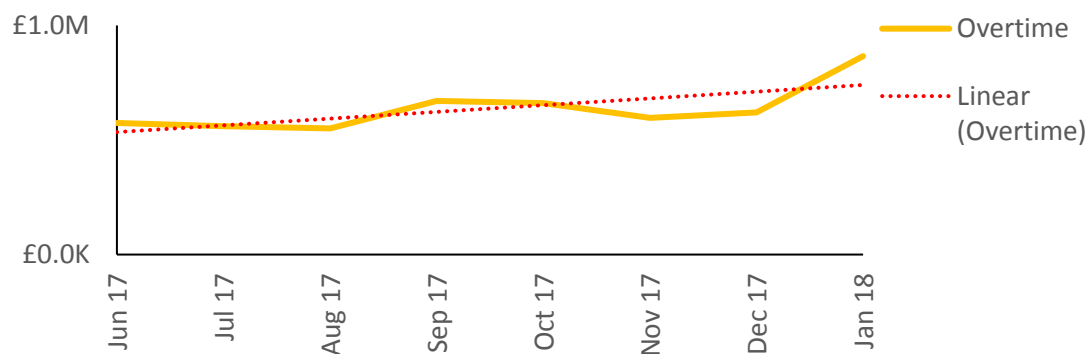
Directorate	Nov-17	Dec-17	Jan-18	<u>All Employees</u> FTE Change Dec to Jan
Communities & Families	6906	6909	7001	92
Communications	23	23	23	0
Edinburgh Health & Social Care Partnership	2370	2324	2323	-1
Place	2331	2332	2333	1
Resources	2348	2330	2280	-50
Safer & Stronger Communities	514	506	507	1
Strategy	137	135	135	0
Redeployment employees	54	54	50	-4
	<b>14683</b>	<b>14614</b>	<b>14652</b>	<b>38</b>

A TUPE transfer of 41 FTE to Lothian Pension Fund accounts for the majority of the decrease in FTE within Resources for this period.

- 3.6 Agency cost data is drawn from invoices paid. The period shows a steep increase in January, £1.6M versus £0.7M in December. The monthly fluctuations are due in part to differences in weeks billed each month. Overall, there is a slight downward trend in agency cost over the past 6 months:-

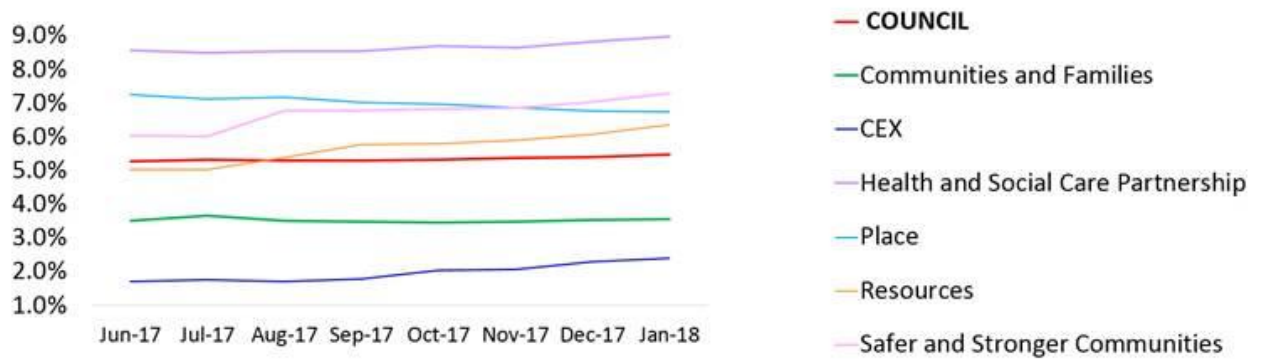


- 3.7 The cost of Supply/Casual workers has reduced by £179K. The main cause is a reduced requirement over the festive period including school holidays (absence cover, night-classes and similar) as payment for December hours is paid in January.
- 3.8 January costs for Working Time Payments have a slight reduction of £9K.
- 3.9 Overtime costs have increased during the period by £246K. Overtime paid in January relates to hours worked in December 2017. Whilst seasonal variation is expected, the overall trend for overtime costs since June 17 is increasing.



- 3.10 The 12-month rolling absence rate continues on an upward trend, up by 0.07% from 5.41% to 5.48%. Since February 2017 this rate has increased from 5.18% to 5.48%. Stress, depression, mental health, and fatigue syndromes continue to be the main reasons for long term absences.

The graph below shows the overall absence levels and trend by Directorate since June 17:

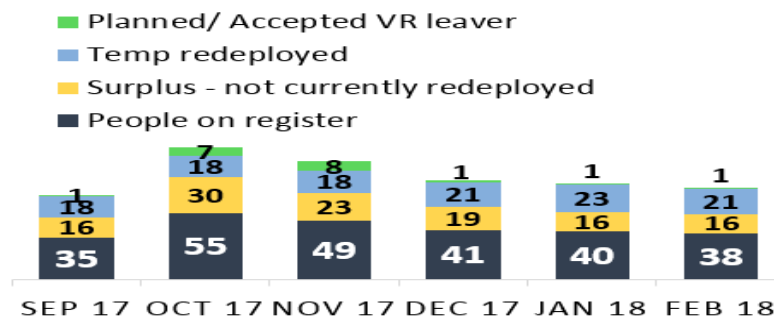


Communities and Families report a stable level of absence while Place has experienced steady reduction over the previous 6 months. All other Directorates show an upward trend.

Total days lost to absence in the 12-month period was 176,000 out of an estimated 3.2M working days available. Absence cost is estimated at approximately £23.4M, based on an average cost of £30,000 and a total of 225 working days per employee per year.

- 3.11 The total employees on the redeployment register has reduced by 2 since December, with an associated cost reduction of £5.3K. The table below provides a summary of the total number of employees since September 2017.

#### Redeployment at 25/02/18



The table below shows the length of time individuals have been surplus.

#### Corporately funded employees by time on the register:

Total – 27.17 FTE



#### Corporately funded employees by current status:

Total – 27.17 FTE



- 3.12 43.6% of employees (who are due to have them) have engaged in Looking Ahead Conversations. This figure is slightly down on the previous month due to additional groups becoming due i.e. Cultural Venues, Waste and Cleansing, Parks, Greenspace, and Cemeteries.

## 4. Measures of success

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- 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

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- 5.1 A programme of workforce reduction resulting in recurring savings of £36.9M.
- 5.2 Salary costs for employees on redeployment (particularly those not redeployed).

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

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- 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

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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 [Managing Workforce Change – Workforce Dashboard Report to Finance and Resources Committee on 7 November 2017](#)

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## 11. Appendices

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Appendix 1 – Finance and Resources Committee Workforce Dashboard

Appendix 2 – Finance and resource Committee Workforce Dashboard Glossary

# Workforce Dashboard: Finance & Resources Committee

Period: Jan 2018

Issued: 1 Mar 2018

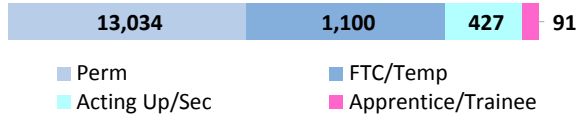
## Workforce FTE

**FTE Actual:** 14,652  
**Headcount Actual:** 18,706

### Turnover FTE (Period)



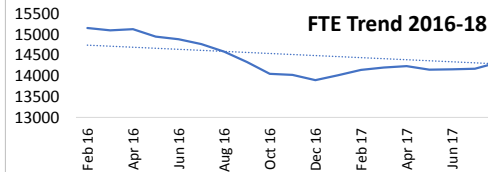
### FTE (Period)



## Agency and Supply/Casual & OT (Period) Equivalent FTE



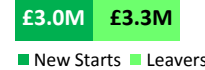
**Total Additional FTE: 1,041**



## Pay Bill

**Actual (Period):** £33.5M  
**Annual (Projected):** £402.5M

### Pay Bill Turnover (Period)



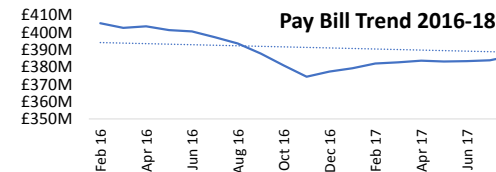
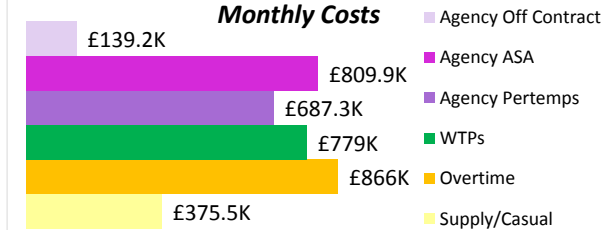
### Pay Bill (Period)



### Pay Bill (Annual Projected)

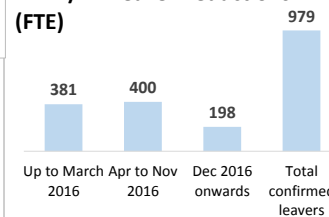


### Monthly Costs



## Transformation

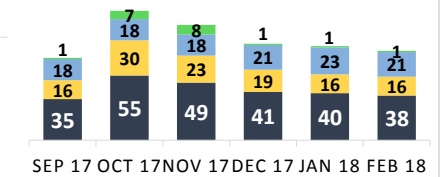
### VERA/VR Leaver Reductions (FTE)



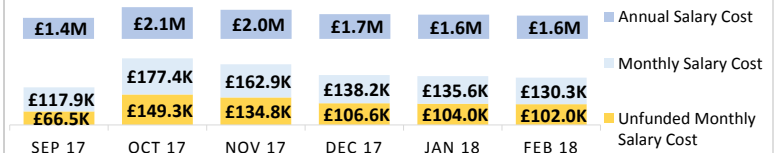
The confirmed 979 FTE reductions from VERA and VR will achieve recurring savings of £36.9M.

### Redeployment at 25/02/2018

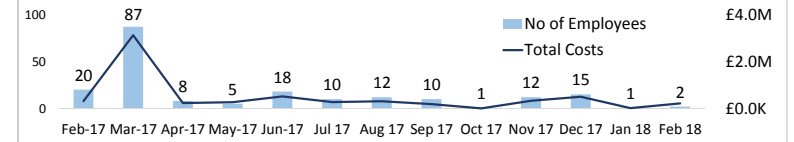
Planned/ Accepted VR leaver  
Temp redeployed  
Surplus - not currently redeployed  
People on register



### Redeployment - Cost



### VR Leavers and Monthly Budget Savings Feb 17 - Feb 18



## Absence

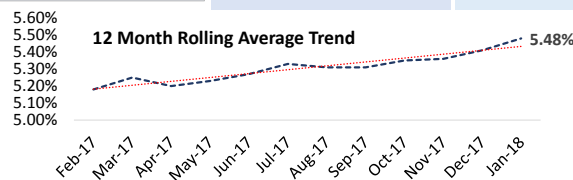
### 12 Month Rolling Average

	12 Month Rolling %	Target
Total Absence	5.48%	4%
Short Term	1.78%	
Long Term	3.70%	

### Absence Reasons

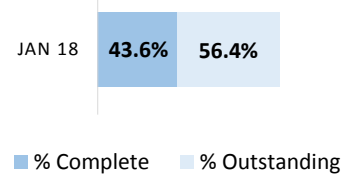
Short Term Reasons	% Days Lost	Long Term Reasons	% Days Lost
Infections	27.82%	Stress, depression, mental health & Fatigue syndromes	33.11%
Stomach, liver, kidney & Digestion	15.78%	Other musculo-skeletal	14.47%
Stress, depression, mental health & Fatigue syndromes	9.09%	Hospitalisation/Surgery/Convalescence	12.97%
Other musculo-skeletal	8.57%	Back & neck problems	8.37%
Eye, ear, nose & mouth /	6.64%	Cancer and associated	4.64%

### 12 Month Rolling Average Trend



## Performance

### Looking Ahead Conversations



% of **scheduled** conversations completed GR1-GR12

### Conversation Spotlight

Sessions Held	124
WLT	96%
Senior Managers Tier 4	85%

### 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 represented as equivalent FTE. Agency cost and supply/casual cost converted to notional FTE value using average annual salary cost of £35/£25K per FTE.*

*Overtime - actual units of time claimed/paid for additional hours (excludes call-out OT hours) at last transaction date. Data extracted at week 1 to capture late payments.*

*Agency - cost of weekly invoicing from Pertemps, ASA and off-contract agencies for the last month. Data extracted after last weekly payroll in preceding month.*

*Casual/supply - cost of hours claimed 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 to take into account a 35 hour working week for Teacher contracts and any other conditions identified at consultation.*

**FTE Trend**

*Archive data from previous S&I dashboard process.*

**Internal FTE Changes**

*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.*