Finance and Resources Committee

10.00am, Tuesday 12 June 2018

Workforce Dashboard

Item number	7.8
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report provides a summary of workforce metrics for FTE, basic salary, new starts and leavers, monthly costs (overtime, agency, casual/supply, working time payments), absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of **March 2018**.

The report contains an analysis of workforce change observed since the previous period, **January 2018** and monitors ongoing and emerging trends.

The general trend since the previous report shows that there has been a reduction in workforce FTE and basic salary costs. Our workforce FTE has reduced by 90 FTE and our basic salary costs have reduced by £0.2M (including the increased costs for Contributed Based Pay which is estimated to be £3M). The FTE reductions primarily come from Communities and Families as contracts complete in line with funding arrangements ending.

Overtime and Agency costs remain typical for the time of year. The cost of Supply/Casual workers and Working Time Payments have reduced slightly; this would be expected given the reduction in overall FTE. The 12-month rolling absence rate has stabilised for the first time in 6 months with long-term open absences reducing by 39 cases since January 2018.

Report

Workforce Dashboard

1.   Recommendations

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

2.   Background

2.1   The dashboard reporting period is March 2018.

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 and cost;

- 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, and the number of Conversation Spotlight workshops carried out;

- the number of VERA/VR leavers and associated cumulative budget savings;

- the number of redeployees and associated costs.

3.2   Our workforce FTE has reduced by 90 FTE to 14,562; down from 14,652 in January 2018. Communities and Families experienced the greatest reduction by 34 FTE, followed by Edinburgh Health and Social Care Partnership (down 28 FTE) and Resources (down 22 FTE). Other areas also saw a reduction, except for the Place directorate which increased by 26 FTE in the period. Changes in Communities and Families relate to contractual changes at the end of the school term (Easter break) and also reflects where funded arrangements have come to an end at the close of the financial year. Changes in Place are attributable to appointments made to vacancies in the directorate structure, following implementation of organisational review in Passenger Operations.

3.3   The table below outlines the total FTE change by Directorate:

Directorate	FTE Jan-18	FTE Mar-18	FTE Change
Communities & Families	7001	6967	-34
Chief Executive	158	145	-13
Edinburgh Health & Social Care Partnership	2323	2295	-28
Place	2333	2359	26
Resources	2280	2258	-22
Safer & Stronger Communities	507	491	-16
Redeployment	50	47	-3
	14652	14562	-90

3.4   Since the previous reporting period we have recruited 148 FTE new starts and 188 FTE have left the organisation, yielding a net loss of 40 FTE. The additional reduction in workforce FTE (50 FTE) can be attributed to contractual changes within the existing workforce and yields a notional annual basic salary reduction in the region of £1.0m (based on an average salary of £25K).

3.5   The cost of new starts was £1.7M less than the cost of leavers, yielding a cost saving in this area.

3.6   In the period, the basic salary bill decreased by £0.2M.

3.7   Contribution based pay and pay progression, estimated to cost the organisation approx. £3.0M on an annual basis.

3.8   Total agency costs showed a slight downward trend over the period April 2016 to December 2017 (reported in Finance and Resources Committee Annual Workforce Report, **Figure 1**). However, when we also include the last three billing periods in the analysis we start to see a subtle change in the trendline with subsequent analysis including increased billing over the festive period to meet service needs. This trend will continue to be monitored.

3.9   The organisation costs for agency between June 17 and March 18 equate to a monthly average of approximately 570 FTE (based on a notional monthly cost per agency FTE). The March monthly agency FTE utilisation was 685 FTE.

Figure 1: Organisation Agency Cost Trend, April 2016 – March 2018
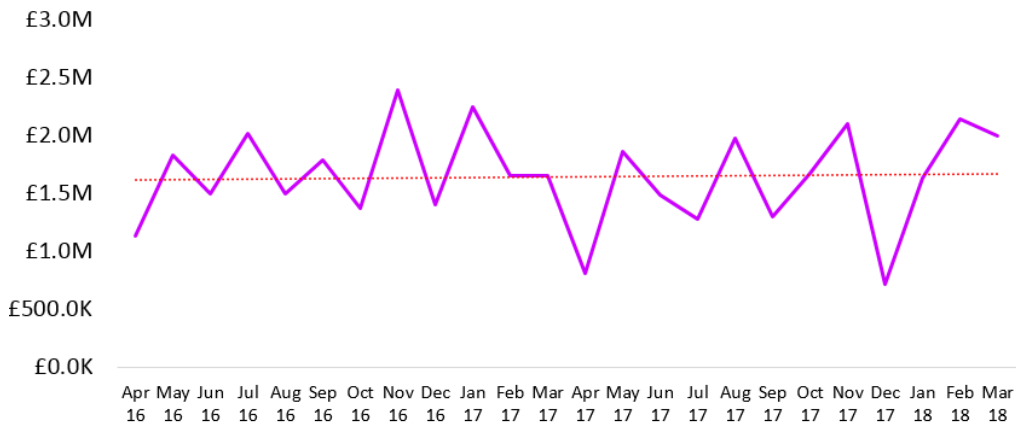
3.10 The cost of Supply/Casual workers has reduced by £11K in the period.

3.11 The cost of Working Time Payments reduced by £6K in the period.

3.12 Total Overtime costs reduced by around £232K since last period (**see Figure 2**). Higher costs were observed in January and February 2018 and are related to additional hours worked to run services and events during the festive period and for winter weather emergency activities. The March 2018 monthly cost of £629K is in line with claims made in the pre-Christmas period. The hours claimed for overtime between June 17 and March 18 are equivalent to the FTE of around 244 employees (monthly average); this analysis excludes hours claimed for "call out". The March 18 monthly overtime FTE utilisation was 227 FTE.

3.13 Trend analysis to Jan 2018 (F&R Annual Workforce report) showed a subtle reducing overtime cost trend, however analysis to March 2018 (**Figure 3)** shows this trend reversing; this will be monitored.

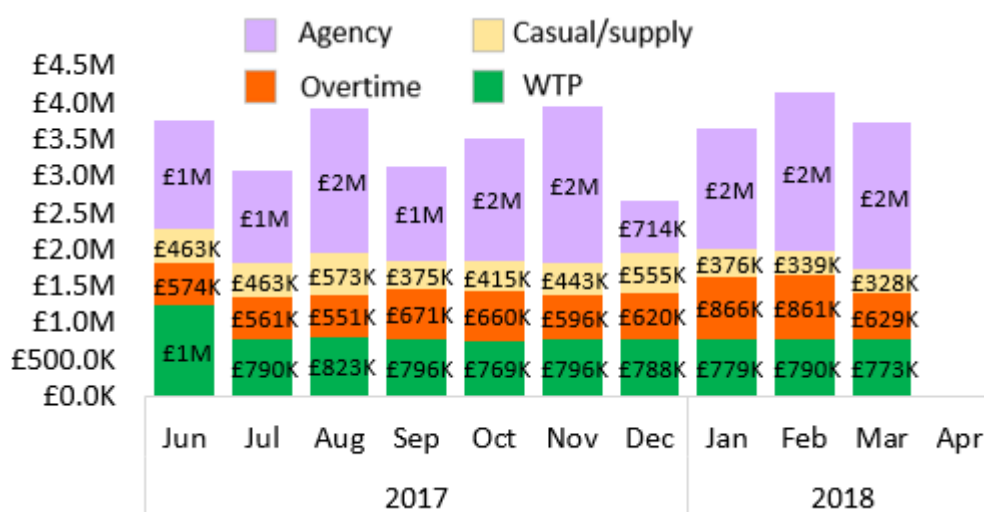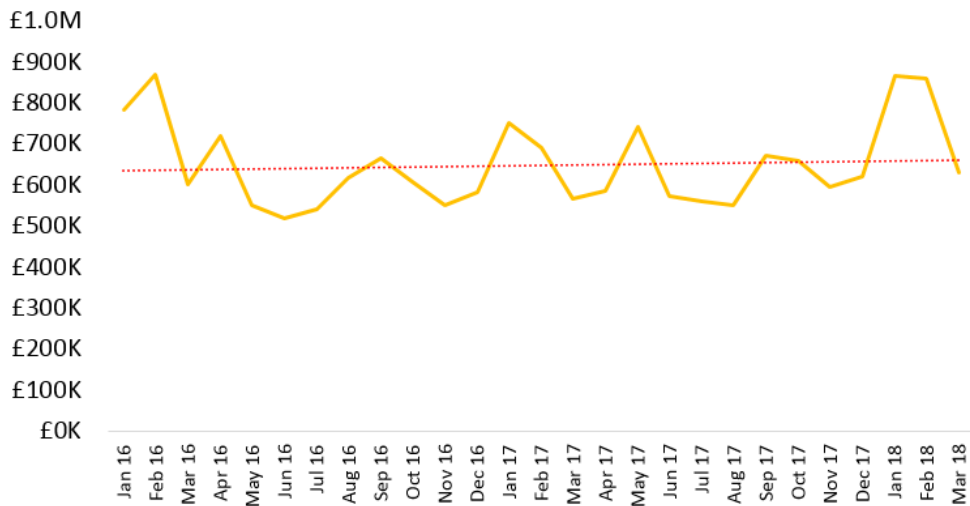**Figure 2: Monthly Costs for Overtime, Agency, Casual/Supply and Working Time Payments, June 2017 – March 2018**

Figure 3: Overtime Cost Trend, Jan 2016 – March 2018

3.14 There was no change to the organisation's 12 month rolling absence rate which remained stable this period at 5.49% (**Figure 4**). The long-term rate absence rate (3.71%) and short-term absence rate (1.77%) were unchanged. The organisation lost 174.4K days to absence in the 12-month period to March 2018, the equivalent working days of around 775 full-time employees. The notional cost of all absence in the rolling period is in the region of £23.3M (based on an average salary value of £30K).

3.15 Absence rates in Place (6.56% to 6.47%) and Resources (6.39% to 6.38%) both saw minor reductions (**Figure 5**).

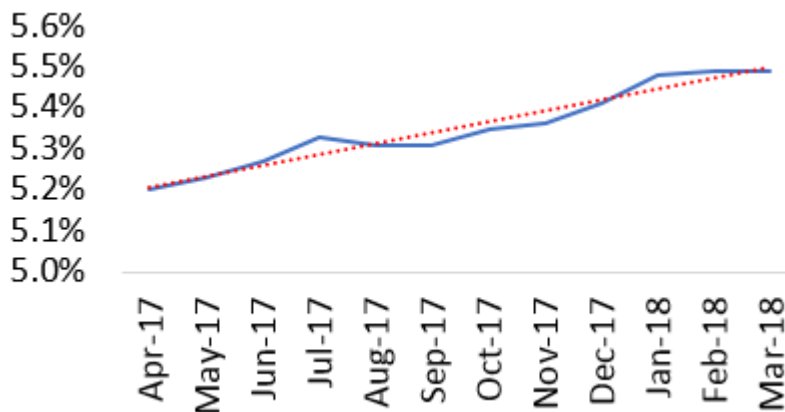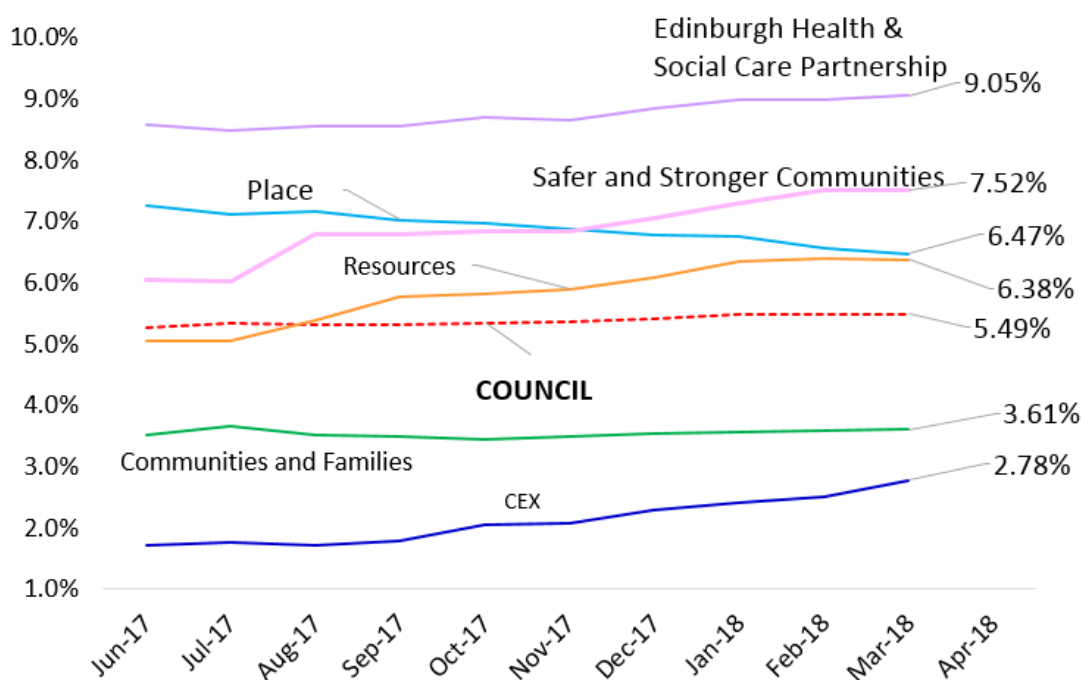**Figure 4: 12 Month Rolling Average Absence Trend**

Figure 5: Directorate 12 Month Rolling Average Absence Trend

3.16 At March 2018 there were a total of 486 employees across the organisation with a long term open ended absence, down from 525 in January 2017 (**Figure 6**). At the time of analysis, 42 employees had been absent for a period of 12 months or longer. Most directorates have seen a reduction in open ended long-term absence cases since December 2017, with the biggest reduction in the Communities and Families directorate in the Schools and Lifelong Learning service (down by 51 cases, which represents a 25% reduction on the original 206 cases). In the same period the Edinburgh Health and Social Care Partnership reduced their total cases by 20 (14% of the original 142 cases), mostly in locality services.

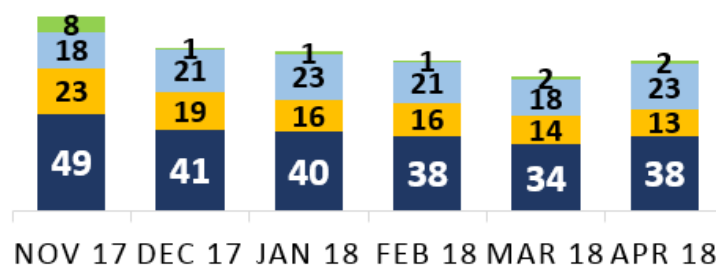**Figure 6: Open Ended Long-Term Absence Cases, Dec 2017 – March 2018**

Period	Council	Communities and Families	Chief Executive	Health and Social Care Partnership	Place	Resources	Safer and Stronger Communities
Dec-17	556	206	2	142	65	118	23
Jan-18	525	194	2	142	59	104	24
Feb-18	488	167	3	139	59	102	18
Mar-18	486	155	4	122	75	110	20

3.17 The total employees on the redeployment register has remained at 38 this period (as per February 2018), but had reduced to 34 in March 2018. The associated monthly salary cost increased by £3.8K to £134.1K. **Figure 7** provides a summary of the total number of employees on the register since November 2017.

Figure 7: Redeployment Register Employees

Redeployment at 25/04/2018

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

NOV 17: 49, 23, 18, 8
DEC 17: 41, 19, 21, 1
JAN 18: 40, 16, 23, 1
FEB 18: 38, 16, 21, 1
MAR 18: 34, 14, 18, 2
APR 18: 38, 13, 23, 2

3.18 Of the 38 employees currently surplus due to transformation, 2 are planned leavers, 23 have been temporarily redeployed, and 13 are not currently redeployed into a temporary solution.

3.19 Of the total surplus FTE, 19.7 FTE is corporately funded and of these 1 FTE is a planned leaver, 8.0 FTE are currently redeployed and 10.7 FTE are not currently redeployed; 14.0 FTE of the corporately funded FTE has been on the redeployment register for longer than 12 months, 4.7 FTE for a period of 6-12 months, and 1.0 FTE for less than 6 months.

3.20 A total of 28% of employees (who are due to have them) have engaged in Looking Ahead 17/18 Conversations. This figure is slightly down on the previous month due to additional groups joining the annual cycle in March i.e. Facilities Management.

3.21 A total of 62% of employees (who are due – approx. 8,000) have engaged in Looking Back 17/18 Conversations.

4.   Measures of success

4.1 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 back' conversation to reflect on the previous year's performance (the 'what' and the 'how' with a performance zone agreed and awarded)

and 'looking forward' conversation to set their performance objectives and development priorities for this performance year.

5. Financial impact

5.1 Achievement of agreed savings through voluntary redundancy.

5.2 Salary costs for redeployees.

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 Workforce Dashboard Report to Finance and Resources Committee on 27 March 2018.

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11.   Appendices

Appendix 1 – Finance and Resources Committee Workforce Dashboard

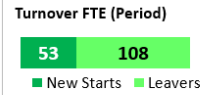Appendix 2 – Finance and Resources Committee Workforce Dashboard Glossary

Appendix 1 – Finance and Resources Committee Workforce Dashboard

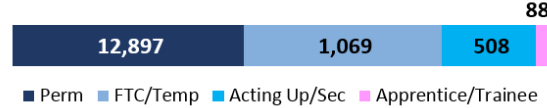**Workforce Dashboard: Finance and Resources Committee**

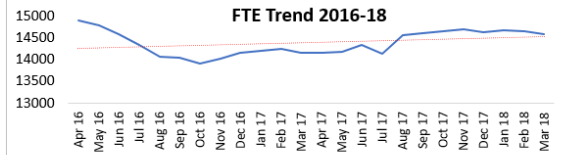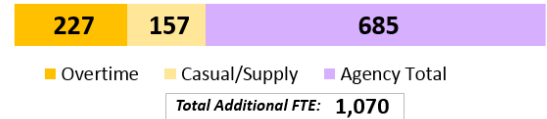**Period: Mar 18** | **Issued: 01 May '18**

Workforce FTE

FTE Actual: **14,562**

Headcount Actual: **18,667**

Turnover FTE (Period)

53	108
■ New Starts ■ Leavers

FTE (Period)

88

| 12,897 | 1,069 | 508 |

■ Perm ■ FTC/Temp ■ Acting Up/Sec ■ Apprentice/Trainee

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

| 227 | 157 | 685 |

■ Overtime ■ Casual/Supply ■ Agency Total

Total Additional FTE: **1,070**

FTE Trend 2016-18
(line chart, y-axis 13000–15000; x-axis Apr 16 – Mar 18)

Pay Bill

Actual (Period): **£33.5M**

Annual (Projected): **£402.3M**

Pay Bill Turnover (Period)

| £1.2M | £2.8M |
■ New Starts ■ Leavers

Pay Bill (Period)

| £31.1M | £2.1M | £195K | £124K |

■ Perm ■ FTC/Temp ■ Acting Up/Sec ■ Apprentice/Trainee

Pay Bill (Annual Projected)

| £373.1M | £25.4M | £2.3M | £1.5M |

■ Perm ■ FTC/Temp ■ Acting Up/Sec ■ Apprentice/Trainee

Monthly Costs

- £109K — ■ Agency Off Contract
- £719K — ■ Agency ASA
- £1.2M — ■ Agency Pertemps
- £328K — ■ Casual/Supply
- £629K — ■ Overtime Total
- £773K — ■ WTP

Pay Bill Trend 2016-18
(line chart, y-axis £360M–£410M; x-axis Apr 16 – Mar 18)

Transformation

VERA/VR Leaver Reductions (FTE)

Up to March 2016	Apr to Nov 2016	Dec 2016 onwards	Total confirmed leavers
381	400	201	982

The confirmed **982** *FTE reductions from VERA and VR will achieve recurring saving of* **£37.0M**

Redeployment at 25/04/2018

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

	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18
Planned/Accepted	8	1	1	1	2	2
Temp redeployed	18	21	23	21	18	23
Surplus	23	19	16	16	14	13
People on register	49	41	40	38	34	38

Redeployment - Cost

| £2.0M | £1.7M | £1.6M | £1.6M | £1.4M | £1.6M | ■ Annual Salary Cost |

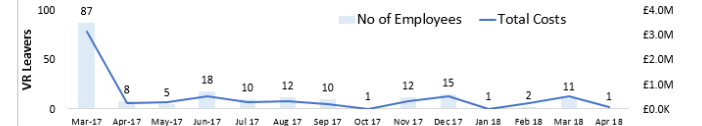| £162.9K | £138.2K | £135.6K | £130.3K | £115.1K | £134.1K | ■ Monthly Salary Cost |
| £134.8K | £106.6K | £104.0K | £102.0K | £89.0K | £78.3K | ■ Unfunded Monthly Salary Cost |

NOV 17 | DEC 17 | JAN 18 | FEB 18 | MAR 18 | APR 18

VR Leavers and Monthly Budget Savings

■ No of Employees — Total Costs

(chart: Mar-17 87, Apr-17 8, May-17 5, Jun-17 18, Jul 17 10, Aug 17 12, Sep 17 10, Oct 17 1, Nov 17 12, Dec 17 15, Jan 18 1, Feb 18 2, Mar 18 11, Apr 18 1)

Absence

12 Month Rolling Average

- Overall Rate **5.49%**
- Long Term Rate **3.71%**
- Short Term Rate **1.77%**
- Cost Estimate **£23.3M**

12 Month Rolling Average Trend
(line chart y-axis 5.0%–5.6%; x-axis Apr-17 – Mar-18)

Absence - Top 5 Reasons

■ Infections
■ Stomach, liver, kidney & Digestion
■ Stress, depression, mental health & Fatigue syndromes
■ Other musculo-skeletal problems
■ Back & neck problems

Short term (donut chart: 28.2%, 15.2%, 9.5%, 8.7%, 6.8%)

■ Stress, depression, mental health & Fatigue syndromes
■ Other musculo-skeletal problems
■ Hospitalisation/Surgery/Convalescence
■ Back & neck problems
■ Cancer and associated illness/treatment

Long term (donut chart: 33.3%, 14.0%, 12.4%, 8.2%, 5.0%)

Performance

Conversation Spotlight Sessions Held **131**

Looking Ahead Conversations

| 28% | 72% |
■ Complete ■ Not Complete

All LGEs in this category are on a GR1-GR4 rolling cycle

Looking Back Conversations

| 62% | 38% |
■ Complete ■ Not complete

All LGEs in this category are on the GR5-GR12 standard cycle

% of scheduled conversations completed GR1-GR12

Appendix 2 – Finance and Resources Committee Workforce Dashboard Glossary

Workforce Dashboard Glossary: Finance and Resources Committee

Workforce FTE

FTE Actual:
Sum of FTE for all staff on CEC payroll
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 and casual/supply represented as equivalent FTE. Agency cost converted to notional FTE value using average annual salary cost of £35k per FTE.
Overtime - actual units of time paid 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. 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

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).

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.

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

Performance

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. 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.

Looking Back 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 the standard cycle, all looking back meetings should have taken place by 31/03/18. 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.

Conversation Spotlight - Data from L&D.